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Industrial revolutions FAG

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NEWS SUMMARY

GENERAL

Aslef stands firm on rostering

Train drivers' leaders warned the arbitration tribunal on the BR flexible rostering dispute that Aslef's 24,000 members were totally opposed to varying the traditional eight-hour day.

Times doubts

Harold Evans was back at the editor's desk of The Times but it was unclear whether he would still be in charge after tomorrow's board meeting.

Duffy warning

NEW leader Terry Duffy said he would not continue to support Labour unless it acted against those who "just squander" as supporters.

Theft record

Insurance companies last year paid out a record £105.7m on claims for theft from private homes—40 per cent more than in 1980.

Poles stay put

Very few of Poland's 3,600 internees have accepted the martial law authorities' offer of emigration, according to reports from the camps.

Polar airlift

A plane loaded with vital supplies was on its way to the two-man British Transglobe expedition stranded 400 miles from the North Pole.

Blaze victims

A woman and her son died in a fire which destroyed their Merseyside home and in East London two children died when a blaze swept through flats.

Death sentence

Turkish martial law court sentenced five left-wing extremists to death for four murders and "conspiracy to establish a proletarian dictatorship."

Uganda arrests

Uganda police arrested about 250 civilians, including an opposition MP, in a crackdown against anti-government guerrilla activity.

Security review

Government said it would review security for African liberation movements in Britain following the bomb which wrecked ANC's London offices.

Bully's death

Villagers in Elvington, Kent, who danced with joy when local bully Brian Ontons was found shot dead heard that police are sure he was not murdered.

Exhibition plan

Government gave the go ahead for a £30m plan to set up a national exhibition centre for Scotland on reclaimed dockland in Glasgow.

Nuclear war film

Peter Watkins, whose anti-nuclear film The War Game was banned by the BBC, is to make another nuclear war film for Central Television.

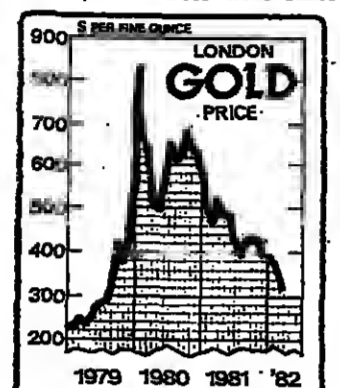
Briefly

Soviet Union is building a 13-mile long particle accelerator—the world's biggest. Spanish civil guard was shot dead by gunmen in Renteria. Midland Bank cut its mortgage rate to 13 1/2 per cent.

BUSINESS

Gold off \$10.25; gilts firm

GOLD fell \$10.25 to \$312.5 in London, its lowest close since 1979.



Late August 1979. In New York the Comex March close was \$324.2. Page 24

STERLING gained 55 points to \$1.805 and rose to DM 4.285 (DM 4.28). SwFr 3.39 (SwFr 3.3825) and Ffr 10.995 (Ffr 10.975). Its trade-weighted index was 90.3 (90.1). Page 24

DOLLAR fell to DM 2.3735 (DM 2.377) and SwFr 1.877 (SwFr 1.879) but firmed to Y240.35 (Y239.9). Its trade-weighted index was 113.6 (113.7). Page 24

GILTS were firm. The FT Government Securities Index added 0.17 to 68.47. Page 24

EQUITIES underlying tone remained steady. The FT 30-share index lost 1.1 to 565.6. Page 24

WALL STREET was up 0.48 to 797.85 near the close. Page 28

ARGENTINE PESO continued to fall sharply against the dollar in Buenos Aires, after dropping over 20 per cent in the past week. Page 5

EMS DEVELOPMENT hopes were kept alive by EEC finance ministers despite opposition from West Germany's Bundesbank. Page 3

POLAND'S DEBT problems will be discussed in Paris later this week by Western governments owed money by the country. Back Page

EUROPEAN COMMISSION said it is adopting a diplomatic approach to the Japanese trade to Brussels. Page 6

COMPANIES

BRITISH SUGAR Corporation is going to the European Commission in an attempt to shake off its unwelcome 40 per cent shareholder, S. & W. Berisford. Back Page and Lex

STONE-PLATT Industries' bankers and supporting institutions are expected to make an announcement today following talks about the extent of new financial support for the group.

BP reported a 25 per cent drop in net profits to £1.1bn last year. Back Page and Lex; details, Page 20

BRITISH CALEDONIAN Airways incurred a £7.94m trading loss in the year to end-October, against a £3.12m profit. Back Page

ARTHUR GUINNESS and Sons has sold Callard and Bowser Nuttall, its confectionery subsidiary, to Benetton Foods Company of the U.S. for £4m. Page 23

BARRATT Developments, housebuilder, raised taxable profits from £11.85m to £15.27m in the half-year to end-December. Page 20; Lex, Back Page

TRANSPORT DEVELOPMENT Group, road haulage and storage concern, reported pre-tax profits down from £21.37m to £15.17m for 1981. Page 22

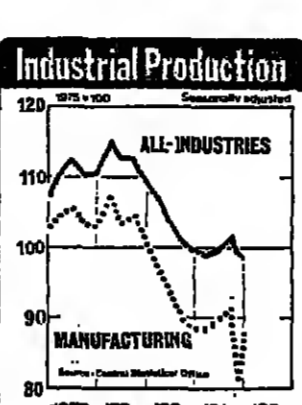
CHIEF PRICE CHANGES YESTERDAY

Table with columns for RISES and FALLS, listing various commodities and their price changes.

Manufacturing output falls to lowest point since 1967

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

MANUFACTURING output in the UK fell in January to its lowest ebb since 1967, according to official figures. The show that total industrial production fell for the third successive month, to a level hardly better than it was a year ago.



The Treasury is predicting that the underlying level of manufacturing output will be 2.2 per cent higher in the second half of this year, compared with the second half of 1981. It also expects that the economy's total output this year will increase by 1 per cent compared with last year's fall of 2 per cent.

That recovery has so far been concentrated in a rather small burst of activity during the early summer. This accords with evidence from the Confederation of British Industry's survey of business opinion, which suggests that activity has remained almost unchanged since the middle of last year.

The generally low level of activity is also reflected in the latest figures for retail sales, but yesterday. They show that the volume of sales in February was little changed compared with the previous year. Hopes that recovery will gain

Official Unionists reject Prior's assembly plans

BY MARGARET VAN HATTEM, POLITICAL STAFF

NORTHERN IRELAND'S largest Unionist party, the Official Unionists, yesterday turned its back on the Government's attempt to set up a form of devolved Government acceptable to the province's Roman Catholic minority, as well as the Unionist majority.

Secretary of State outlined in more detail the plans he hopes to put to Cabinet colleagues next week. Mr Molyneux accused Mr Prior of "deceiving and double-crossing" the party. In particular, a child of nine was killed and more than a dozen people injured, some seriously, in a bombing blitz which caused extensive damage across Northern Ireland last night.

to link the devolution process to further developments in the recently established Anglo-Irish Council. Mr Molyneux urged the Government to "clear the traitors out of the Northern Ireland Office," and said he would seek an early meeting with the Prime Minister Mrs Margaret Thatcher, who, he believed, did not support Mr Prior's plans.

Mr Molyneux said the party would be objecting to Mr Prior's insistence that no power would be transferred to the new assembly without the support of around 70 per cent of its members, including representatives of both sections of the community. He also objected to proposals, which he attributed to Mr Prior,

to link the devolution process to further developments in the recently established Anglo-Irish Council. Mr Molyneux urged the Government to "clear the traitors out of the Northern Ireland Office," and said he would seek an early meeting with the Prime Minister Mrs Margaret Thatcher, who, he believed, did not support Mr Prior's plans.

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Imperial Tobacco plans closures

BY LISA WOOD

IMPERIAL TOBACCO plans to close three factories over the next two years, it announced yesterday. More than 1,700 jobs are expected to be lost in Glasgow, Stirling and Bristol.

The company's Ogdens pipe tobacco factory at Liverpool and the John Player & Sons cigar factory at Ipswich are not affected by the proposals. Last week's Budget further dampened prospects of a recovery in the trade by putting up duty by 5p on 20 cigarettes and 3p on five small cigars.

Jobs lost will be 600 by the W. D. & H. O. Wills cigarette factory closure in Glasgow and 600 by the Wills cigar factory closure at Bristol. The John Player & Sons cigarette factory at Stirling employs about 800. Imperial Tobacco is also in the process of losing about 1,000 white-collar jobs through the merger of the whole administrative and management structures of Wills and Players, its two main trading subsidiaries.

Imperial said it hoped to cope with the job losses by a combination of natural wastage, early retirements and voluntary redundancies throughout the company, and by offering to transfer eligible employees to other locations.

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Jenkin proposes slimming state industry boards

BY PETER RIDDELL AND HAZEL DUFFY

A REDUCTION in the size of the boards of nationalised industries and inclusion of more non-executive directors with commercial experience is being proposed by the Government.

reducing their size where appropriate and ensuring an adequate proportion of non-executive directors who would bring in a wider experience and help to secure improvements in the efficiency of the business.

The proposals, announced in the Commons yesterday by Mr Patrick Jenkin, the Industry Secretary, are among the main conclusions of the recent review of relationships between Whitehall and nationalised industries. They are aimed to improve the industries' proficiency and to put their perennially strained dealings with Government on a more satisfactory basis.

Third, the Government is taking steps to strengthen its business expertise in Whitehall for dealing with the nationalised industries. New arrangements are being introduced so that the industries' performance and plans can be more systematically addressed. In the Treasury, for example, a group of public enterprise specialists has been established and more accountants have been recruited.

Reaction

However, the reaction yesterday from the Nationalised Industries' Chairmen's Group, was one of "neutrality." Although individual chairmen have been called in by Whitehall to discuss the wording of the Government document which led up to the proposals announced yesterday, these have resulted in changes of detail only.

Detailed implementation of these changes will now be discussed by Ministers in charge of sponsoring departments and individual industries. There will be what amounts to "planning agreements," though this term is also in Whitehall, between the departments and the industries over their objectives and restructuring.

Progress

Mr Jenkin's statement represents a serious report on a continuing series of discussions which have been going on within Whitehall and with the industries over their relationships and which have followed the inquiry last year on the subject by the Think Tank and recent discussions by a Cabinet Committee.

The hope is that the changes will help to reduce the tensions which have bedevilled relationships under governments of both parties and that the result will be that both sides will be better informed and better able to deal with each other.

Details

The changes announced by Mr Jenkin are: First, the Government intends to hold discussions with the industries in the coming months with the aim of concluding strategic objectives for each of them. Such objectives, which would mainly be qualitative, would be consistent with the industries' statutory duties, and with their financial targets and performance aims.

Second, the Government is putting more emphasis on the need for efficiency and wishes to ensure that this is reflected in the structure of the boards of the industries. Ministers will therefore be discussing with the chairmen "the composition of their boards with the aim of

Table with columns for Spot, 1 month, 3 months, 6 months, 12 months, and previous, listing various market rates.

Table with columns for Mar. 13 and previous, listing various market rates.

Table of Contents listing various sections and their page numbers, including Poland's economy, The rates burden, U.S. economy, etc.

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# EUROPEAN NEWS

## Portugal faces fresh transport chaos

LISBON—Travellers in Portugal face another week of transport chaos as train drivers extend their strike action. In an effort to cope, the rail authorities have called on retired drivers to run peak-hour services.

The train drivers' union said yesterday that the strike, which began last Monday and was originally due to end tomorrow, would continue until midnight of March 22.

"Talks at the Transport Ministry broke down at the weekend, and there are as yet no prospects of new negotiations," a union official said.

The train drivers' union, traditionally a conservative grouping, was discussing with its lawyers the possibility of bringing a court action against the rail authorities, claiming they had violated strike laws by hiring the retired drivers to run some services, particularly in the Lisbon region, the official added.

"Using retired labour shows the desperation of the rail board."

Portuguese Railway authorities estimate they are losing £5 20m (£138,730) every day of the strike.

But the said some trains were running between Portugal's largest cities, Lisbon and Oporto, and that services in the south, driven by members of a smaller union not involved in the strike, were virtually unaffected.

Queues at stations on the coastal commuter lines to Lisbon were shorter yesterday as pensioners ran the limited rush-hour service. Coaches brought in by the Government at the beginning of the strike ferried passengers to work through heavy morning traffic.

The train drivers are demanding a pay rise of up to 30 per cent, well above the Government's 17 per cent pay ceiling established to combat Portugal's soaring inflation rate.

Last month, a wave of strikes affecting urban transport was settled with wage increases above the Government's guidelines.

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## Swedish state jobs to go as coalition's popularity wanes

BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

THE announcement by Sweden's state-owned iron mining company, LKAB, that it must dismiss 900 workers has come at an embarrassing time for Sweden's minority Government. It coincides with an opinion poll indicating that only 16.5 per cent of voters now support the Centre-Liberal coalition.

The poll showed the Social Democrat opposition party to be poised for a return to power in this September's General Election, while public support for Prime Minister Thorbjörn Fälldin's Centre Party reached a nadir of 9 per cent.

LKAB operates the iron mines of North Sweden which, until the early 1970s, were a primary source of ore for West European steel works. Over the past six years, the company has run up losses of around SKr 2.5bn (£397m) and absorbed more than SKr 4bn of Government funds.

Its 1982 production target is 17m tonnes of ore, compared

with the 25m tonnes it sold annually before its market collapsed. It holds some 9m tonnes of unsold stocks.

Of the 900 who will lose their jobs, two-thirds live in the town of Kiruna where 14 per cent of the labour force is currently unemployed.

The Swedish iron mines have been badly hurt by deliveries to Europe of ore with low phosphorus content from Brazil and Australia. Productivity in the mines has also been low.

The number of unemployed nationwide declined by 18,000 to 135,000, or 3.1 per cent of the labour force, between January and February. The fall is seasonal and the figure for February was 29,000 higher than in February last year.

It is estimated that some 450,000 people were without regular employment in February, many being engaged in emergency work programmes or in jobs financed from public funds.

## Norsk Hydro strike tests Oslo Government's nerve

BY FAY GJESTER IN OSLO

A STRIKE involving Norsk Hydro, Norway's largest industrial concern, could provide the first test of the Conservative Government's avowed will to let such disputes run their course, without resorting to compulsory arbitration.

The Government has already ordered compulsory bargaining to stop one strike. That, however, was a small dispute involving hospital ancillary workers in Oslo and the Government could claim legitimately that patients' health, and even lives, would have been threatened if it had been allowed to continue.

The way the Hydro problem is handled could affect the course of this spring's crucial wage negotiations when thousands of white and blue collar union members will be seeking wage compensation for recent steep increases in the cost of living, Government and industrial leaders have warned that Norwegian industry, already seriously hit by cost inflation, which would further weaken its

competitiveness.

Only about 800 of Hydro's employees are actually on strike, following the break-down at the weekend of voluntary arbitration talks. But the strikers are key personnel—foremen and technicians—and without them Hydro will have to shut four of its most important on-shore industrial plants, making nearly 8,000 people idle. Lay-off notices have been sent out and some have already taken effect.

The groups offshore petroleum activities—exploration and production—are not affected by the strike, nor are on-shore plants which are only partly owned by Hydro.

Greek reply on oil

Greece has replied to a Turkish request for information on reports of Greek oil exploration in the Aegean Sea, a Foreign Ministry spokesman told Reuters in Ankara yesterday. He hoped it would improve the strained atmosphere between the two neighbours.

## Brezhnev to urge more vigorous union role

MOSCOW—President Leonid Brezhnev may call on Soviet trade unions to be more active in defending the rights of workers when he addresses their five-yearly congress today.

Mr Brezhnev is expected to encourage them to take a more vigorous shop-floor role, and be alive to any sign of Polish-style worker discontent.

A year ago, Mr Brezhnev told the Communist Party Congress that trade unions "sometimes lack initiative in exercising their broad rights."

The party leader complained that Soviet unions failed to insist that management should honour collective agreements and observe the law on safety at work.

The message was given again in August by Mr Brezhnev's closest aide, Mr Konstantin Chernenko, who wrote in Kommunist, the party journal, that unions still had a "defensive function" on behalf of the workers under the Soviet social system.

The workers, he went on, had to be defended from bureaucrats, over-pragmatic managers who did not care about people, and from drunks and slackers.

Even clearer evidence of the Communist Party leader's dissatisfaction with the state of the trade unions came at the beginning of this month when Mr Alexei Shibaev, chairman of the Central Trade Union Council, was dismissed after five years in the job.

Last week, Pravda, the party daily, complained that some trade union officials were "toothless" and failed to defend workers' rights.

Mr Shibaev was not criticised by name, but the implication was that he had failed to respond to the party's call for a new style.

Mr Shibaev's successor, Mr Stepan Shalayer, 53, will give a keynote speech to the congress today.

He is expected to tell the delegates that their job is to insist on labour laws being observed, and to act as a safety valve in cases of genuine worker discontent rather than as an arm of the management.

Soviet trade unions have 136m members.

Reuters

## Polish tractor-maker struggles with post-Solidarity production

# Ursus workers plough lonely furrow

BY DAVID BUCHAN IN WARSAW

THE URBUS TRACTOR plant is a soberly busy place these days. Once a Solidarity stronghold, the 16,000-strong labour force in the huge complex outside Warsaw staged a protest-strike last December 14 which was quickly broken up. Since then, the workers have buckled down under martial law.

Production is up, say the managers; morale is not too bad, say the workers—and to the visitor, there is no sign of the brown boots of the army or the black boots of the police.

But a three-hour long visit to the plant—the first by a foreign correspondent since martial law started—also revealed serious difficulties which can be taken as microcosm of the country's overall plight: the impact of Western sanctions on a country grown dependent on Western licences and machinery, shortages of domestically-produced components and the unresolved problems of how and whether to restore trade unions and what "economic reform" can mean in a war economy.

Mr Tadeusz Skoczylas, the company's foreign sales manager, rattles off the good news. The aim is to produce 55,000 tractors this year, compared with 50,531 last year, and so far so good. Production rose steadily from 3,620 in December to 4,636 last month. Every working day this year at least 210 tractors have come off the assembly line, he says.

The bad news is that virtually all of these are the relatively old-fashioned, heavy and fuel-inefficient machines which Ursus has developed over the years with Czech help. Very few are the modern tractors which Ursus was by now to have been producing in large

quantities under a 15-year licensing agreement with the British combine of Massey-Ferguson-Perkins signed in 1974.

"We will only turn out a symbolic number of Massey-Fergusons this year—between 200 and 500," Mr Skoczylas says. Symbolic of what? "Our desire to stay in the technological race and keep exporting a quarter of total production to Western markets," he explains, pointing out that Ursus traditionally earns \$30-40m a year, is now

given a general guideline to produce between 50,000 and 55,000 tractors. In practice, this flexibility is not a new freedom but rather a recognition of reality brought about by component shortages. Despite the fact that its role in food production puts it into one of the 14 "priority programmes" which are supposed to get first claim on scarce resources, Ursus is severely hampered by production problems at its engine-casting subsidiary at Lublin.

Ursus may fare even worse if and when the war economy allocation system is dropped. An equally large question looms over the plant on the issue of reviving trade unions. The two national Solidarity leaders from Ursus, Mr Zbigniew Bujak and Mr Zbigniew Janas, went into hiding to avoid internment and are now treated as unpatriotic by the managers, who have difficulty in recalling to a reporter what jobs the pair ever held in the factory. But by and large, Ursus workers got off lightly from the post take-over purge—more so than after the 1976 strikes there—and only 10 Ursus workers are now held out of a national total of some 4,000 internees.

For the present, "social commissions" have been set up, with some ex-Solidarity members included, to fill a stop-gap union role. But they are recognised by both senior Ursus managers, such as Mr Tomasz Krysiawicz, and by worker foremen, like Mr Krzysztof Siemiatkowski, a phenomenon that cannot last. Virtually everyone at Ursus wants to hibernate under the covers. The argument, raging far wider than Ursus, is how and in what form.

Following the imposition of Western sanctions and problems over licensing agreements with Massey-Ferguson, Ursus is struggling to keep up tractor production. Exports produce \$30m-\$40m in desperately-needed hard currency each year, and the company is anxious not to let political development ruin its technological base.

desperately-needed hard currency for Poland.

But Poland's economic crisis and Western government credit sanctions have now strained ties between Ursus and Massey-Ferguson dangerously thin.

The agreement with MF set down that Ursus would produce 75,000 MF tractors and 80,000 Perkins engines a year by 1980. Instead, Ursus may only turn out this year as few as 200 tractors and some 5,000 engines. These MF tractors may be the last, since MF's Coventry plant is shipping no more assembly kits to Poland, and Ursus, despite its heavy spending on Western machinery in the 1970s, can itself make only about half what goes into an MF

machinery as well as super-visors. Because of Western sanctions, the credit is for the time being frozen.

"We want to keep our licence relationships" with Western companies," Mr Skoczylas stresses, displaying a concern common to many Polish managers these days. But it is increasingly hard to see how Ursus and other Polish plants can manage this until Poland's political crisis is resolved.

Ursus managers are pleased that under General Wojciech Jaruzelski's economic reforms, they are to have more flexibility, particularly with regard to output. Instead of an old style directive, setting a fixed target, Ursus this year has been

## Few internees consider offer to live abroad

BY CHRISTOPHER BOBINSKI IN WARSAW

ONLY A few of the 20 000 so internees at the Bialoleka prison in northern Warsaw are thinking of accepting the authorities' offer to emigrate, according to the family of one internee.

This would appear to confirm a statement by Mr Sylwester Zawadzki the Justice Minister, last week that only about 20 of the country's 3,600 internees had applied to go abroad.

Three months after martial

law was imposed there are few signs that attitudes are changing among the most politically-minded of the detainees. As one told visitors recently: "The main thing is to retain our dignity, and leave the camps as we went in without having made any concessions."

The conditions in Bialoleka are reportedly quite tolerable and the allowance of three parcels per detainee per month means that some have stopped

eating prison food. The longer they stay, however, the more radical they are becoming and their feeling of anger and frustration is transferred to their families.

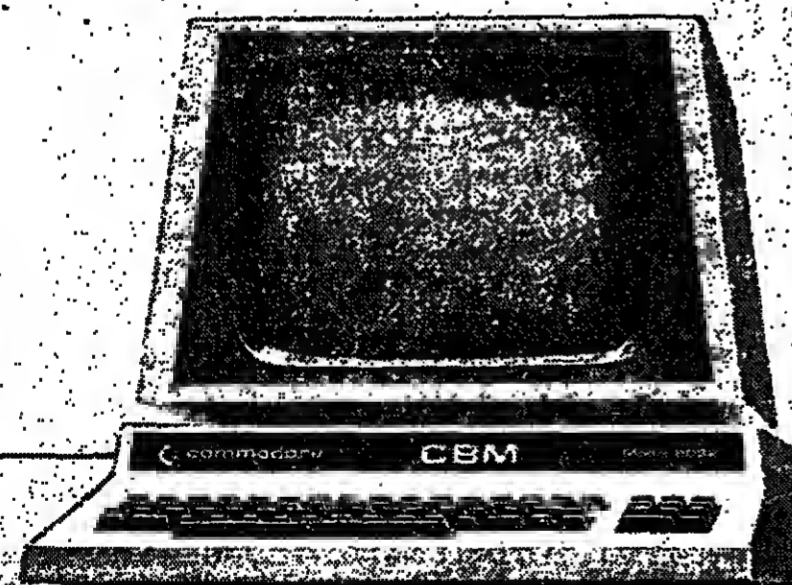
Arrested as they were on the night martial law was imposed, the internees find it difficult to imagine what life is like outside their prison walls. Families on visits often bring conflicting tales. Some speak of resistance and repression, others describe

a calm atmosphere. Five transistor radios have already been confiscated in regular searches of the cells and there are at least two handwritten news sheets.

The main issue for many at Bialoleka is to avoid questioning by the secret police to a separate building in the prison called the "embassy" by the internees. They refuse summonses for questioning, and a few have been punished for it.

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# EMS development hope kept alive by ministers

BY JOHN WYLES IN BRUSSELS

EEC FINANCE ministers yesterday managed to salvage the prospect of further development of the European Monetary System despite opposition from West Germany's Bundesbank.

But the slight progress made yesterday robs the EEC summit in two weeks of any chance of re-casting the EMS as it enters its fourth year.

France and Italy want the impasse to be discussed by the heads of government, but the Belgian Government's dreams of presiding over an "EMS summit" look shattered.

M Francois Xavier Ortoli, the EEC Commissioner whose ambitions for the EMS are as strong as the Belgians', pledged last night to persevere in the hope that the finance ministers may make some decisions at their May meeting.

But it seems that either a change of view by the Bundesbank or a substantial softening of the Commission's already modest proposals will be needed to make this possible.

The proposals covered four areas: extending the use of the European Currency Unit (ECU) for private transactions and for EEC borrowing and lending; increasing the use of the ECU in settling short-term debts between EMS central banks; greater efforts to align the performance of member states' economies; and initiatives to achieve co-operation with the U.S. and Japan on the management of international exchange and interest rates.

Ministers could generally agree yesterday that these were all desirable, but they called for more detailed mechanisms from the EEC's monetary committee and the central bank governors.

As expected, West German reservations were the strongest.



Herr Hans Matthoefer (left), West Germany's Finance Minister, talks to Sir Geoffrey Howe, the Chancellor of the Exchequer, shortly before the meeting.

Herr Hans Matthoefer, the West German Finance Minister, sympathized with the objectives, but cited Bundesbank opposition as the reason for not accepting many of the Commission's proposals for achieving them.

The gap between member-state inflation rates and other economic indicators would have to be narrowed to sustain a new development of the EMS, he said.

The authentic West German view was then apparently set out for ministers over lunch by a senior Bundesbank representative.

Essentially, the West German central bank appears as nervous as it was when the EMS was created at a time of general uncertainty and latent currency instability.

The Bundesbank is particularly worried about ideas for widening the obligations on EMS central banks to make reserves available to defend the currencies of other member states.

Nevertheless, Herr Matthoefer put his name to a final declaration setting out the need to strengthen "pragmatically" the procedures for mutual assistance in the system.

Member governments will continue to stress individually concerns about U.S. interest rates and the U.S. policy of "benign neglect" of the dollar — as well as their beliefs that the yen ought to be trading at a higher level.

But they are still far from agreeing on an EEC initiative designed to bring the U.S. and Japan into a monetary partnership.

# Fears for future of Irish industry

By Brendan Keenan in Dublin

THE CONFEDERATION of Irish industry has endorsed a claim by the managing director of the country's Industrial Development Agency (IDA) that Irish manufacturing could go into rapid decline unless the trends in domestic costs are reversed.

Mr Padraic White of the IDA claimed that some 350 companies, employing up to 12,000 people, are in danger and are being assisted by the Agency's rescue units for companies in difficulty.

Mr Liam Connellan, the Confederation's director general, said he was not surprised by the figure. The primary national objective must be to bring the Irish rate of cost inflation down.

Mr White foresaw the re-emergence of British business as a serious threat to large sections of Irish industry. The Irish inflation rate, at around 20 per cent, is well above that in Britain and Ireland's fellow members of the European monetary system.

If present trends were not reversed, said Mr White, "great sections of Irish industry will slowly reduce their work-force in the fight for survival."

"Unless present trends change, Ireland, by 1983, will be virtually finished as a centre for investment," he said.

At the same time, Mr White was critical of the "gloomy" attention paid to Ireland's economic problems. He believes that the problem can be overcome with the right change in attitude, particularly in the public sector and traditional industries, and that the country could still achieve full employment during the 1980s.

# LEADING WEST GERMAN INDUSTRIAL SECTOR SEES EXPORTS SURGE

## Mechanical engineering output falls

BY KEVIN DONE IN FRANKFURT

THE WEST GERMAN mechanical engineering industry, the biggest single sector of industry, suffered a fall in production of nearly 2 per cent last year, but the far-reaching impact of the deep recession in the home market has been compensated for by the industry's growing competitiveness in foreign markets.

Mechanical engineering exports grew by 5 per cent in real terms last year, helped by the weakness of the D-Mark, while sales to the domestic market slumped by 8 per cent.

Overall, the industry's turnover expanded slightly in nominal terms by 3 per cent to DM 12.5bn (£2.2bn) from DM 12.2bn (£2.15bn) in 1981. Mechanical engineering exports jumped by 10 per cent nominally to DM 6.8bn (£1.6bn), while imports grew by only 7 per cent to DM 23.8bn (£5.5bn).

Employment in the industry — at 1.08m, mechanical engineering is the biggest industrial employer in the country — is more than ever dependent on exports, with a small number of oil-exporting countries playing a crucial role.

- New orders from abroad rose last year by 17 per cent, while domestic orders fell by 9 per cent (in real terms).
- Capacity working in the sector fell to 81.9 per cent in December from 84.9 per cent a year earlier.
- The number of workers on short-time working rose to 81,200 last month from 44,500 a year earlier.
- Total capital investment last year dropped by 4 per cent in real terms to DM 5.5bn (£1.3bn) and a further drop of 4 per cent is expected in 1982.
- Mechanical engineering production is expected to grow by 1.2 per cent in 1982 based on the high level of foreign orders booked in past months.

New Iraqi orders last year for building machinery and turn-key building materials plants were alone higher at DM 2.5bn (£555m) than the total orders received from the West German domestic market itself.

There is growing concern in West German industry about the ability of some oil exporting countries to continue to pay for machinery imports on this scale.

According to Herr Tyl Necker, president of the Mechanical Engineering Federation, companies are worried that certain countries "have burned up in import orders future oil revenues based on yesterday's crude oil prices."

Exports to members of Opec jumped by 42 per cent to DM 7.3bn (£1.7bn) last year and accounted for 10.4 per cent of West German mechanical engineering exports compared with 8.1 per cent in 1981.

The increasing trade with such countries has more than compensated for the decline of trade with the East bloc, which fell last year by 4 per cent to DM 3.5bn (£1.28bn).

A series of industrial countries headed by France remain the leading markets for West German plant and machinery. Mechanical engineering exports to the U.S. jumped by 22 per cent to DM 3.2bn (£1.2bn) last year, helped by the weakness of the D-Mark against the U.S. dollar. But the highest growth rates last year were shown in demand from particular oil exporting countries.

Mechanical engineering exports in Iraq jumped by 66 per cent to DM 1.5bn (£350m), to Saudi Arabia by 73 per cent to DM 1.3bn (£300m) to Mexico by 34 per cent to DM 1.1bn (£300m) and to Nigeria by 20 per cent to DM 1bn (£240m).

In spite of current export successes, West German mechanical engineering groups are concerned that their long-term international competitiveness is being undermined, partly by the emergence of the Pacific Basin as the most promising area of above-proportional growth with the Japanese and South Koreans already well-established as competitors, and partly by the subsidised financing offered by countries such as France, Britain and Italy.

"To a growing extent, West German companies are having to move manufacturing orders abroad for reasons of financing and building competitiveness," said Herr Necker.

# Bonn foresees record profit for Bundesbank

BY JONATHAN CARR IN BONN

THE WEST GERMAN Government believes the Bundesbank, the Central Bank, is heading for more record profits this year, meaning that a much bigger sum than expected will be turned over to Bonn.

One key effect of this bonus would be to take some of the pressure of the sorely strained Bonn coalition, as it seeks to finance the federal budget for 1983.

So far the Government has been expecting only DM 3.5bn (£820m) from the 1982 Bundesbank profits, which by law have to be turned over to Bonn after allowing for addition to Central Bank Reserves.

However, in an interview at the weekend, Herr Hans Matthoefer, the Finance Minister, said he believed that this year's Bundesbank payout to Bonn would be around last year's record level of DM 10.5bn (£2.4bn).

The key reason for the higher figure is continuing high interest rates which, among other things, boost Bundesbank income on its holdings of U.S. Treasury bills.

Herr Matthoefer's apparent intention in making his statement now is to encourage those in the coalition who are already

fearing a repeat of last year's battle over the 1982 budget.

The Social Democrat and Liberal Free Democrat partners came close to a split in trying to decide how to make budget savings and hold down state borrowing. A higher Bundesbank profit than expected was one factor which finally helped them avoid a break.

However, Herr Matthoefer's comments could also cause new problems in the Government in two ways. For one thing, Bonn is in the middle of a dispute with the Länder, the provincial states, over what percentage of

turnover tax revenue each should receive in future.

Herr Matthoefer has partly weakened Bonn's bargaining position on this issue by revealing that the Government can now expect so much more Bundesbank profit.

Further, his remarks could spark a new debate over how Bundesbank profit should be used. The Government's critics argue that, as the present profit figures are exceptionally high, Bonn should only use a fairly small part to finance expenditure and use the rest to cut state borrowing.

# Belgian Government attempts to defuse crisis over steel giant

BY GILES MERRITT IN BRUSSELS

THE BELGIAN Government yesterday moved to defuse the worsening political crisis surrounding Cockerill-Sambre. The oiling steel-making giant is losing more than BFr 1bn a month and is the target of tough restructuring cutbacks.

It announced the appointment of a new chief executive, Mr Michel Vandestruck. His priority will be to negotiate a compromise closure programme with the European Commission that could soften the political impact in Belgium's French-speaking Wallonia region of the Cockerill-Sambre restructuring.

It remains to be seen, however, whether the Belgian Government's move will calm the Cockerill-Sambre steel unions. Earlier, they had warned that central Brussels would be brought to a standstill by an unprecedentedly large protest march of Liege and Charleroi steelworkers.

There are fears that up to 100,000 men, many of whom are

threatened with redundancy by the restructuring measures backed by the EEC, will today stage protests that could eclipse the violent clashes with riot troops that marked a smaller demonstration last month.

The announcement of a new chief executive for Cockerill-Sambre does mean, however, that after several months of managerial vacuum the state-owned Belgian steel group will come under firm direction. Mr Vandestruck is currently head of the Fabrique Nationale, the Liege based arms and aerospace group that he has been nursing back to financial health.

Considerable doubts, nevertheless, surround the compromise restructuring plan that the Belgian Government wants Mr Vandestruck and Cockerill-Sambre's new management team to negotiate with the Commission.

The broad lines of the revised programme were put yesterday by Mr Wilfried Martens, the

Belgian Prime Minister, flanked by four cabinet colleagues, to Viscount Etienne Davignon, the EEC Industry Commissioner. But here have been no signs that Viscount Davignon has altered his view of a fortnight ago that radical closures are needed if Cockerill-Sambre is to survive at all.

The details of the government's closure programme are still unclear. They are believed to aim for a middle course between the original Belgian plan to cut Cockerill-Sambre's capacity of almost 11m tonnes of crude steel a year to 8.5m tonnes and the sterner measures being backed by the Commission to reduce that capacity to nearer 7m tonnes.

In jobs terms, the latter proposals could mean a near doubling of redundancies to some 10,000 men, and the response of the Cockerill-Sambre steel unions since the end of last month has been to stifle production with a series of indefinite strikes.

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OVERSEAS NEWS

# India discounts military alliance with Moscow

BY K. K. SHARMA IN NEW DELHI

THE ARRIVAL in India yesterday of one of the most high-powered Soviet military delegations ever to visit a non-Communist country is understood to have seriously embarrassed the Indian Government.

New Delhi has gone so far as to let it be known that no talks will be held on any form of military alliance with Moscow. Observers in the Indian capital believe the Soviet Union has dispatched the delegation, led by Marshal Dmitri Ustinov, Soviet Defence Minister, to extract political mileage from the fact that India has backed Moscow's presence in Afghanistan.

The Russians are also thought to be keen to demonstrate, in face of persistent regional hostility to their invasion of Afghanistan, that they have a 15-year friendship treaty with India which has nurtured growing economic and military links in the past decade.

Soon after his arrival yesterday, Marshal Ustinov met Mrs Indira Gandhi, Prime Minister of India, and Mr R. Venkataraman, India's new Defence Minister.

The Russian delegation consists of about 70 members, including the naval and air chiefs, and the deputy army chief. A number of officers of the rank of lieutenant-general and major-general form part of the team.

Despite the Indian disclaimer on the political importance of the delegation, efforts are to be made to obtain Moscow's approval for plans to build MIG-23s in India, and to buy MIG-27s for the Indian Air Force.

This can be hastened by obtaining the approval of Marshal Ustinov, a senior



Marshal Dmitri Ustinov member of the Russian Politburo.

The Indians are also expected to try to obtain Soviet assurances for the continued supply of spares and components for the vast amounts of Russian military hardware — including MIG-23s, MIG-25s, MiG-21s, tanks, missiles and artillery — being used by the Indian armed forces. The possibility of suspension of such supplies could seriously jeopardise the effectiveness of the hardware.

On his arrival in New Delhi, Marshal Ustinov said that Indo-Soviet relations were developing stably and dynamically. They embraced practically all the most important spheres of co-operation between the two countries.

"Successful co-operation in the field of defence between the two countries serves both the national interests of India and the Soviet Union as well as the interests of the strengthening of universal peace and security."

# Hanoi seeks rescheduling of \$200m debts to Japan

TOKYO — Japanese bankers say Vietnam has asked Tokyo to reschedule about \$200m (£110m) in Japanese bank loans and trade credits.

The amount, including \$160m in loans from banks and \$40m in credits from traders, is part of about \$500m extended to Vietnam in 1977 and 1978 to finance steel and machinery imports from Japan.

The bankers said representatives of the Vietnamese Foreign Trade Bank recently visited

Tokyo for detailed negotiations. Vietnam suspended payments on Japanese loans and credits last summer because of a shortage of foreign currency resulting from a decline in exports of its smokeless coal.

The bankers were unable to confirm a report in the daily newspaper, Yomiuri Shimbun, that Vietnam is seeking to reschedule over five years with the Japanese side insisting on two years.

Reuter

# Why Pretoria's militant exiles threaten white morale

BY PETER BRUCE

THE bomb blast which wrecked the London offices of the African National Congress (ANC) on Sunday was a dramatic demonstration of the growing violence of the conflict in South Africa.

It also underlined the position of the ANC, Africa's oldest-established nationalist movement, as the leader of exiled opposition to white minority rule.

Whoever may have been responsible for the bombings—inevitably, South African agents or sympathisers are seen by the ANC as the prime suspects—there is no doubt that the organisation is regarded today by South Africa's intelligence and security services as the most formidable of the black-led opposition movements.

In spite of being outlawed for the past 20 years within South Africa, the ANC has also enjoyed an upsurge in public demonstrations of support within the country. The ANC colours, banners and slogans, have been paraded blatantly in front of the security police at recent funerals of radical black and white sympathisers.

Such demonstrations of support for the movement have followed a steady increase in the tempo of violent demonstrations against the apartheid system, including bombing of public buildings, and sabotage of installations.

There is evidence of increased anxiety in the white community over the ease with which ANC insurgents now seem able to enter, operate in, and leave the country. Major-General Johan Coetzee, the Security Police chief, noted last



Oliver Tambo... new popularity for the movement

year "the terrorist onslaught" against South Africa had increased dramatically over the past few years. "The terrorists," he said, "are succeeding in inflicting damage on selected targets."

Probably foremost in General Coetzee's thoughts was the spectacular raid in 1980 on South Africa's prestige oil-fractionation plant at Sasolburg in the Transvaal.

The increase in guerrilla activity inside South Africa is due largely to the ANC's quick response to the violent rioting that spread through the country in 1976. ANC operatives to neighbouring countries were quick to recruit the bulk of young blacks who fled the

country in droves in the wake of massive State retaliation to the uprisings in Soweto and other black townships.

Mr Oliver Tambo, the ANC's present leader, is a former law partner of Mr Nelson Mandela, the imprisoned leader of the ANC's old internal wing. Both men joined the organisation's governing executive from university in 1945 and Mr Tambo set up the ANC in exile when he left the country in 1960.

Largely because of the enduring popularity inside South Africa of Mr Mandela, the ANC appears to have retained black support despite a long period of relative quiescence. It has also been greatly helped by the ingenuity which has beset its exiled rival, the Pan Africanist Congress. The death of the PAC founder, Robert Sobukwe, in 1978, effectively robbed the PAC of its stability.

The ANC has something of an advantage over the others. Founded in 1912, it is the oldest black nationalist movement in Africa in addition to close ties with the "frontline states"; it has also been able to capitalise on links built up with the South African Communist Party.

The ANC established Communist links in the mid-1950s when it took part in an attempt

to form a multi-racial anti-apartheid umbrella body comprising black, white, Asian and coloured (mixed race) organisations. The Communist Party of South Africa had been banned five years earlier, in 1950, but some members participated in the move to multi-racialism with the Congress of Democrats.

This umbrella body never really got off the ground but the Communist and black nationalist strands had intermeshed firmly enough for the ANC to remain even now a curious mixture of two ideologies.

While ties between the ANC and the exiled SACP remain very close, tensions unquestionably persist within the movement over the extent of communist influence on it. Mr Sobukwe broke away to form the PAC in the late 1950s for just this reason. The argument of ANC critics then, as now, was that the policies of the SACP incorrectly deflected the focus of the "struggle" from the race issue to one of class.

In exile, however, the ANC found the SACP as invaluable ally in that it has been able to function as a channel for funds and weapons from the Soviet bloc. By being able to "deliver" Moscow during the



Nelson Mandela... prisoner of the state

early years of exile the SACP, which has always remained close to Moscow, played probably its most valuable political card.

Weapons for the ANC guerrillas are still supplied almost exclusively by the Communist bloc and there have been reports of Cuban instructors being used by the ANC military wing. As near as can be reliably determined the movement has up to 5,000 men under arms, only a few of whom have been used in South Africa yet.

Mr Tambo himself now spends much of his time at the ANC secretariat outside the Zambian capital, Lusaka, and he is understood to be keen to establish a presence in

Zimbabwe. The ANC's hand has been forced to a certain extent in the present campaign. The youngsters it recruited in Botswana, Swaziland and Lesotho after 1976 have urged the organisation to arm them and send them back into the country.

Faced with this kind of pressure, there are signs that the dogmatic and heavily ideological approach to revolution, apparently favoured by the ANC leadership for most of its exile, is giving way to a new, more pragmatic sense of urgency.

In a particularly revealing statement of strategy, Mr Tambo predicted in Salisbury last year that "South Africa is going to surprise the world and us" by showing itself vulnerable much sooner than expected.

"It (sabotage) is going to spread and it is going to get heavier and it is going to get nastier for us as well as them," he said. "Until then, beyond a few aberrations which have embarrassed ANC leadership, its guerrillas had attacked only government installations. But Mr Tambo warned that "activity cannot stay at the same level and be effective." New escalation would probably involve civilian casualties.

The movement's Secretary General, Mr Alfred Nzo, drove that point home last week in London when he warned foreign sportsmen playing in South Africa that they were entering a war zone. The last time that warning was made publically in the region, it came from Mr Nkomo, soon after his guerrillas had shot down a civilian airliner.

# Talks resume on Sinai disputes

BY DAVID LENNON IN TEL AVIV

EGYPT'S Foreign Minister, Mr Kamal Hassan Ali, arrived in Israel yesterday for three days of talks on resolving the dispute between the two countries over the demarcation of their international border after April 26 when Israel withdraws from Sinai.

Israel is threatening not to complete the evacuation unless the border disputes are resolved and has already dismissed an Egyptian proposal that the disagreement be placed before an independent arbitrator.

The major disagreement is over the Taba area on the Red Sea, where an Israeli hotel and holiday village has been built. Egypt claims the holiday facilities are located on its side of the border, while Israel insists the frontier runs further south, leaving the hotel and village in Israel.

There are also arguments over the exact line of the

border at 15 other points, but these only involve a few dozen yards of desert in each case. The international boundary was drawn in 1906 by Britain and Turkey, the imperial powers of the day.

During a previous visit Mr Ali resolved the dispute concerning the town of Rafah at the northern end of the border on the Mediterranean in talks with Mr Ariel Sharon, the Israeli Defence Minister. Rafah will be divided by the international border which runs through the town and across its main street.

The Egyptian Foreign Minister arrived yesterday with a large delegation, including Mr Boutros Gbali, the Minister of State at the Foreign Ministry. The problems surrounding the visit to Israel by President Hosni Mubarak are also likely to be discussed. The Egyptian leader has refused to include

Jerusalem on his schedule and Israel has said that in that case he had better not come at all. A dozen West Bank Palestinians have now resigned from the pro-Israeli village leagues following Jordanian threats to institute charges of treason against any Palestinian continuing as a member of the organisations.

Israel set up the leagues in an attempt to create an alternative leadership in the occupied territories to that of the elected mayors, many of whom are supporters of the Palestine Liberation Organisation.

By channeling funds, patronage and even arms to the leagues the Israeli authorities established six in rural parts of the West Bank. The growing strength of the organisations led Jordan last week to issue warnings of dire penalties, including the death penalty against league members.

# French halt arms flow

By Francis Ghiles

FRANCE has suspended deliveries of certain weapons to Morocco because of repeated delays in payment. The decision comes only a month after Morocco obtained a moratorium of one year on its military debt to France, which amounts to about \$440m.

Morocco has, in recent years, purchased a wide variety of French weapons: AMX 10 tanks, Puma and Gazelle helicopters, Mirage I and Alpha-J jets, troop carriers, and military patrol boats.

The state of the kingdom's finances and balance of payments remains precarious because of the combined effects of the six-year-old Sabaran conflict, the worst 18-month drought in living memory, which lasted until last December, and high U.S. interest rates.

# Lebanon worried by flight of diplomats

BY HUSAN HAJAZI IN BEIRUT

LEBANON'S Government is deeply worried by the flight of Arab diplomats from Lebanon because of security worries.

The Foreign Ministry has been in touch with Kuwait to inquire about the abrupt return home last week-end of Mr Abdel Hamid al Buaijan, Kuwait's Ambassador. The official explanation was that Mr al Buaijan and several members of his staff and their families have been given "open-ended leave of absence."

In an interview Mr al Buaijan admitted that his departure was for security reasons. The Jordanian Government last week withdrew its last diplomat from Beirut leaving Lebanese staff to run the consulate. Lebanon, has not been ruled out by observers.

Mr Ali Shaer, has not been to Beirut for almost six months. No explanation for his absence has been given.

Our Foreign Staff adds: Iraq, whose embassy was destroyed by explosives last December with about 100 people believed killed, has relocated its diplomatic presence in the eastern sector of Beirut which is controlled by right-wing Christian militias.

The outrage was generally believed to have been committed by Shi'ite extremists, probably of the Amal paramilitary group, who support Iran in the Gulf war. The connivance of Syria, which provides all the manpower of the Arab Deterrent Force in Lebanon, has not been ruled out by observers.

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The board of Directors, which met on March 10th 1982, examined and approved the 1981 Balance Sheet which will be presented at the forthcoming Shareholders' meeting.

Last year's results were highly satisfactory and can be broken down as follows:

	1981	1980	%
Total Deposits	6,644.1 billion Lire (5,536.8 million US\$)*	5,766.4 billion Lire	+ 15.2
Net Profits	43.4 billion Lire (36.2 million US\$)*	13.5 billion Lire	+ 221.4
Capital Resources (after appropriation of proposed Funds)	516 billion Lire (430 million US\$)*	207 billion Lire	+ 149.2

The Board noted that the Total Assets of the Companies of the Group, based on figures from the latest financial statements, have reached 24,536 billion Lire (20,446.7 million US\$)\* in comparison with 19,642 billion Lire of the preceding Balance Sheets (+ 25%).

The Banco Ambrosiano Shareholders' meeting will be called for 16th/17th April 1982.

Milan, March 1982

\* US\$/Lira Exchange rate 31st Dec. 1981

# Reagan on tour of states to push budget proposals

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan yesterday took to the road to campaign at state level for his budget and "new federalism" proposals, on both of which he has promised dialogue with his opponents.

He received a mixed welcome at Staps in Alabama and Tennessee, where unemployment is at record levels, before speaking in Oklahoma today. In Alabama, a black member of the state legislature threatened to lead a black walkout rather than listen to Mr Reagan's "reverse Robin Hood policies."

In his Alabama speech, Mr Reagan was planning to pledge "full co-operation in reaching bipartisan compromise with Congress on his budget. He warned, however, that he had little time for "parade-walkers who march out to denounce the projected deficit on television, but then slip back behind closed doors to bust the budget."

Appearing directly to the American people, he blamed Congress for causing taxes to double between 1976 and 1981 and for trying to block his efforts to reverse the trend by opposing his tax cutting programme.

Mr Reagan planned to tell his local audiences that he was not wedded to every detail of his "new federalism" plan—which would give new fiscal and



President Reagan: no time for parade walkers

political responsibilities to the states—and was ready for dialogue.

He wants to stress that he does not plan to balance the federal budget "on the backs of the states" and that there will be no need for tax increases at the local level.

In New York, Mr Pete Domenici, chairman of the Senate budget committee, said he was optimistic that "in the very foreseeable future" Congress would put together an alternative, bipartisan budget plan.

# Market fears the worst as U.S. recession deepens

IS AMERICA heading for another depression? Most economists say no. But the collapse of the U.S. stock market, soaring bankruptcies and lengthening dole queues have created such feelings of doom and gloom in America that talk of economic calamity has not only become widespread but perfectly respectable.

Newsweek and Time, not normally publications which set out to scare their solid middle-American readership, recently ran articles with headings like "The Depression Syndrome" and "How Safe are your Savings?"

Students of business cycles have been muttering darkly about the Kondratieff theory, which holds that capitalist economies suffer major setbacks every 50 years or so—and the last one, as everybody knows, was in the 1930s.

The decline in the stock market looks especially ominous. The Dow Jones industrial average hit a new two-year low last week, having shed more than 20 per cent since its latest peak. Trading was tumultuous, with some vulnerable high technology stocks losing several dollars in value on a single day. In February there were more business failures than at any time since the Depression, and a dozen small banks have had to be rescued by bank regulators.

Corporate profits, which fell 3 per cent in 1980 and 5 per cent last year, could fall at least as

much again this year, and many large companies are deep in the red. "The stock market is discounting if not a great depression then at least a great recession," said one Wall Street stockbroker.

People are not throwing themselves off window sills yet, but investment specialists report a marked shift of money into safe havens like Treasury bills and bonds. Money market funds which invest exclusively in top-notch securities have been growing fastest, even though the return they offer is lower.

In the 1930s, one broker recalled, Treasury bills sold not at a discount but at a premium—people were willing to pay \$1.100 for a \$1,000 bill just to be sure to get their money back in three or six months' time. "What you get is a flight into money," he said.

Distraction—another symptom of recession—is also at its most marked since the mid-1970s, when the U.S. economy was suffering the worst of the oil shock. Wholesale prices fell for the first time in six years in February, and the value of tangible assets has slumped. Real estate, commodities, fine art and precious metals are all down, which means that household balance sheets built on these erstwhile inflation hedges, have shrunk, and along with them their borrowing power.

It makes for an alarming picture, whose colours have been heightened by a crop of Doomsday advertising from financial councillors offering help in

crisis investing. As yet, established economists view depression as no more than a remote possibility, partly because they think the worst may already be past and partly because Washington has far more power to influence the

stock market is right to be so bearish.

The current recession, which began last July, is the second in only two years, and the third in only seven, meaning that the economy is hitting a trough at twice the historic rate. In fact

cent. financing costs are already extremely high, and any increase would quickly choke off a recovery. An economic upturn, it is felt, would contain the seeds of its own destruction, as it did last year when it propelled the Prime to a record 21 per cent.

One New York banker, who specialises in lending to middle-sized companies and tries—unsuccessfully—to hold his prime rate half a per cent below everybody else, believes that 17 per cent is the most his clients can pay. "If it goes back to 21 per cent, you can be sure that there will be a huge number of bankruptcies," he said.

With the best most people hope for being a short-lived recovery, followed by the third recession in as many years, the U.S. has not been slow to find a culprit—the record deficits in the Reagan Administration's budget.

Plenty of economists have argued that deficits in themselves do not matter provided the Fed does not print new money to finance them. But these arguments have been swamped by the popular perception—right or wrong—that deficits are harmful and are eating away at the U.S.'s economic foundation. The Fed seems to share this view, which is why interest rates have failed to come down as they usually do in a recession.

This gloomy prognosis has been embraced by America's top business leaders, who have

now publicly broken ranks with the Administration they once so warmly supported. Today, they are pleading with Mr Reagan either to increase taxation or cut defence spending, or both.

Mr John McGillicuddy, chairman of Manufacturers Hanover Trust and a member of the prestigious Business Roundtable, which lobbies on behalf of budget companies, said last week: "While I admire the President and support his ultimate objectives, I consider the proposed budget to be not a blueprint for recovery, but a recipe for even greater disruption in our economy and financial markets."

"The plain fact is, deficits do count. They do matter. And they are the major reason that our interest rates stay close to record high levels. And these high interest rates, in turn, are a major cause of much that ails our economy."

"Thus, to my mind, any talk of an investment-led recovery is, at best, premature, if not totally unrealistic."

Some stockbrokers—eternal optimists that they are—have welcomed all the depression talk as a sign that things have got as bad as they can, and that the stock market is on the point of rallying. Others have welcomed the scaremongering for different reasons; they hope it will persuade Mr Reagan that the time has finally come to make some compromises on the budget or risk condemning the economy to chronic recession.

While U.S. economists remain calm, public opinion in the country is being infected by a new depth of pessimism. David Lascelles in New York describes how talk about "depression" has become commonplace in recent weeks.

economy today than it did in the 1930s.

"The Fed (Federal Reserve Bank) need only cut a discount rate by 2 per cent and the economy would be off like a rocket," said a bank economist. By coincidence, three large New York banks—Citibank, Chase Manhattan and Morgan Guaranty—were predicting an economic recovery just as the stock market collapsed last week.

However, the economic fraternity believes that while things could perk up for a while, the U.S.'s basic ills are far from over, and in this sense they say

some badly-hit industries, such as vehicle manufacturers and constructions, have been in continuous recession for three years, and the fear is that this pattern will continue under the policies being pursued by President Ronald Reagan.

What the U.S. is facing, economists say, is not so much a depression as an economic impasse—though if it lasts long enough, this could become pretty depressing, too.

If the economy picks up, the surge in demand will push up interest rates again, which is normal in a recovery. But with the prime rate still at 16 per

# Brazil enters nuclear age 5 years behind schedule

BY ANDREW WHITLEY IN RIO DE JANEIRO

FIVE YEARS behind schedule, Brazil entered the nuclear age last weekend with the commissioning of its first nuclear reactor, the U.S.-built Angra-1 power station.

The cost has been high. Originally budgeted at \$300m (£166m), Angra-1's final cost has risen to over \$1.3bn (£722m), giving a unit cost per installed kilowatt of \$2,150—four times the average cost of hydro-electrically generated electricity in the region.

Westinghouse, the suppliers of the reactor and the main contractors, have suffered a series of setbacks with the 626 MW power station, which is located on Angra dos Reis Bay, between Rio and Sao Paulo.

The latest problem which halted the power station's entry into service late last year followed the discovery that identical Westinghouse-built

plants in Sweden and Spain had suffered cracked pipes.

An exhaustive examination and replacement of certain components cleared the way for the reactor to come on stream on an experimental basis.

For the rest of this year, Angra-1 is expected to be operating at only 30 per cent of its capacity, the limit authorised by Brazil's nuclear supervisory body, CNEN. One reason must be the over-capacity that already exists this year within the catchment area of Furnas, the regional electricity authority responsible for the plant.

Nuclebras, the federal nuclear agency, yesterday received bids from nine Brazilian contractors to handle the construction work for Angra-3, the second of the planned eight West German nuclear power stations.

Angra-2, which is already under construction, and Angra-3 are on the same site.

# Colombian Liberals lead in poll

By Our Bogota Correspondent

COLOMBIA'S Liberal Party, led by former President Alfonso Lopez Michelsen, has retained its majority in the congressional and local government elections.

With less than half the votes cast on Sunday counted so far, estimates suggest that the Conservative Party has made no significant headway compared with the last elections, and that the Left has failed to increase its quota of representatives.

However, the young Liberal senator and Presidential candidate, Sr Luis Carlos Galan, appeared to have won a sweeping victory in the capital, Bogota.

Despite the violence that preceded the elections and threats of sabotage from the April 19-M-19 guerrilla movement, strict security measures ensured an uneventful ballot.

President Julio Cesar Turbay said that Colombian democracy had met its most dangerous challenge in recent years, and voters had shown their faith in constitutional liberties.

The two main rivals in the Presidential elections, to be held on May 30, are Sr Alfonso Lopez Michelsen, for the Liberals, and Sr Belisario Betancur for the Conservatives.

# Argentine peso slide continues

By Jimmy Burns in Buenos Aires

TWO MONTHS of stability on Argentina's volatile foreign exchange market were shattered yesterday when the peso slid from 11,000 to the dollar to a range of 12,100-12,800. The fall intensified last week's decline from 19,050 last Monday.

Bankers had been keen not to resurrect the term "exchange crisis" early yesterday, and claimed that the peso, which has been allowed to float freely since last December, would soon stabilise again at a more realistic level.

But by the afternoon it seemed they had seriously misjudged the market. Queues were again forming in downtown Buenos Aires, with exchange houses offering wide spreads between buying and selling rates for the dollar.

Yesterday's movements of the peso were perhaps the sharpest indication to date that Sr Roberto Alemann, Economy Minister, may have seriously over-estimated public confidence in his economic programme.

Last week was the first time since December that the central bank was reported not to have intervened to prevent a renewed rush on dollars.

# El Salvador opinion poll shows mistrust of election

BY HUGH O'SHAUGHNESSY

WIDESPREAD MISTRUST of the elections to be held in El Salvador on March 28 have been revealed in an opinion poll carried out by the Central American University in San Salvador.

The survey was based on replies from a sample of 1,789 university applicants aged between 18 and 27. It showed that 75.7 per cent of the respondents favoured no political party taking part in the elections, 10.9 per cent favoured President José Napoleón Duarte's Christian Democrats, and 5.3 per cent supported Arena, the extreme right-wing grouping led by Major Roberto

d'Abnission. Only 39.2 per cent of those polled said they would vote, and 53.3 per cent said the elections would not begin to solve the problem of the war.

Negotiations between the Duarte Government and the insurgents were favoured by 47.7 per cent of the sample, while 22.2 per cent were opposed. The rest were "I don't know."

The results of the survey, one of the few credible public opinion operations to have been held in the war conditions in El Salvador, will bring no joy to the Duarte Government or to the U.S. Administration which is backing the elections.

COMPANY A SENDS AN EXECUTIVE FROM LONDON TO LEEDS BY CAR

COST £22.80\*

COMPANY B SENDS AN EXECUTIVE FROM LONDON TO LEEDS BY TRAIN

£36.50\*\*

WHICH COMPANY IS GETTING BETTER VALUE FROM ITS EXECUTIVE?

\*Round trip 378 miles, 25.7 mpg, 155p per gallon. \*\*2nd Class Ordinary Inter-City Return. Prices as at 1st January 1982.

On the face of it there's no contest. The executive in the car is saving the company £13.70. But wait a minute; the figures bear closer scrutiny.

The car journey to Leeds takes about 3 hours, assuming there are no diversions, hold-ups or delays (and anyone who's recently travelled on the M1 knows that's a big assumption).

What will the executive in the car be doing during those 3 hours? He can't work. He can't sleep. He can't relax. And with all his attention focused on the road ahead, he probably can't think.

And yet the company is paying him every second he's in that car.

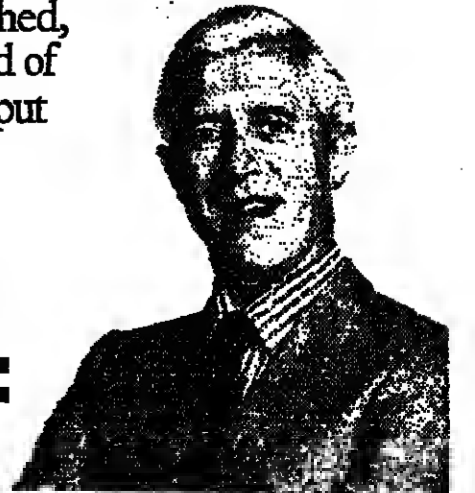
Suppose he's costing the company £10 an hour (in salary and apportioned overheads).

His trip to Leeds will cost the company £30 each way in unproductive time. Add that to the cost of petrol and suddenly the comparison with the train isn't so clear-cut after all.

The train allows the executive to work throughout the journey, if he so wishes.

With ergonomically-designed seats, air conditioning on many trains, sound-proofing, ample desk space and a total lack of interruptions, it's often a better place to work than his 'real' office. And after his meeting the business rail traveller can relax, stretch his legs and generally unwind.

As a result, he will be refreshed, relaxed and ready to give the kind of executive performance you can't put a price on.



This is the age of the train

# Bonn has strong presence at Leipzig fair

BY LESLIE COLTBY IN LEIPZIG

A STRONG West German political and economic presence at the international trade fair in Leipzig, the major East-West trade event, is seen as a signal to Comecon that West Germany wants to expand its ties with the East despite U.S. economic sanctions against Moscow and Warsaw.

Herr Otto-Wolff von Amerongen, president of the influential West German Chamber of Industry and Trade (DIHT), has led talks with Herr Erich Honecker, East Germany's leader. Herr Wolff is an outspoken critic of the U.S. sanctions and has urged the Bonn Government not to follow suit.

An influential member of the opposition Christian Democrats (CDU), Herr Walther Leisler Kiep, has also held talks with

East German officials. East Germany disclosed that it has received a message from President Ronald Reagan welcoming the fair. Mr Herbert Okun, U.S. ambassador to East Germany, told Herr Honecker, who visited a U.S. stand, that Washington was still interested in promoting trade with East Germany "despite the complicated international situation."

Other prominent West German visitors to Leipzig include the Mayors of Hamburg and Bremen. Both leading Social Democrats and the lesser-known Mayor of Neunkirchen in the Saarland, Herr Honecker's birthplace.

The West German contingent in Leipzig, where West German companies are second in number only to East Germany, will be added to later this week by Count Otto Lambsdorff, Bonn's

Economy Minister, who will first have talks in East Berlin with Herr Guenter Mittag, East Germany's politburo member in charge of economic affairs.

East Germany is interested in widening its economic links with West Germany because of its deficit in trade with other OECD countries and a lack of coal imports from Poland.

West Germany's permanent representative in East Berlin, Herr Klaus Boelling, who is close to Chancellor Helmut Schmidt, appealed to Herr Honecker to take into account the "political and psychological" aspects of East-West German relations.

This was taken to mean that East Germany should give a strong sign of its political goodwill by lowering its currency exchange requirements for



● Herr Honecker (right)

# Jobert to begin Tokyo talks today

By Richard C. Hanson in Tokyo

MICHEL JOBERT, the French Foreign Trade Minister, will today begin four days of talks in Tokyo on bilateral economic and trade problems.

France is expected to press Japan on its bilateral trade surplus which grew to \$1.05bn (£552m) last year from \$726m in 1980. Both sides are at odds over the problems of access to each other's markets.

Mr Jobert's scheduled meetings with various members of the cabinet are to be short. One of the aims of his trip is to clear the way for the visit next month by M Francois Mitterrand, French President, who will be the first French head of state to visit Japan.

# Japan's mission will be handled with 'diplomacy' by EEC

BY GILES MERRITT IN BRUSSELS

THE EUROPEAN Commission has indicated it is adopting a "carefully diplomatic" approach to the mission of Japanese officials and parliamentarians that opened talks in Brussels yesterday on an EEC-Japan trade problems.

The delegation was welcomed by M Gaston Thorn, the President of the European Commission, at the start of the two-day visit to Brussels, but officials were making it clear Japan's decision to accede only partially to the EEC Council of Ministers' list of trade concessions is likely to cloud the talks.

The Japanese mission has already visited Washington and is now in Brussels with the same object of explaining the importance of the 67 trade liberalisation measures announced by the Tokyo Government earlier this year.



M Gaston Thorn: welcomed delegation

The EEC Commission is concerned not to resort to the "harsh language" that U.S. officials apparently used to convey their scepticism over the Japanese measures, but at the same time will seek to convey to the Japanese delegation the need for greater liberalisation.

Commission officials will be emphasising that, according to the latest calculations, the EEC's trade gap with Japan will in 1982 be comparable to last year's \$15bn (£7.8bn) or so, in spite of the 67 measures.

But they are also keen to avoid using the same abrasive tactics their U.S. counterparts allegedly used last week in talks with the Japanese mission.

The fear in Brussels is that failure to discuss the continuing

trade problem diplomatically could trigger a backlash of Japanese public opinion that would make further concessions by Tokyo politically impossible.

Detailed discussions between the European Commission and the Japanese delegation, which is made up of former ministers and Diet (Parliament) members of the ruling Liberal Democratic Party and government officials, began in earnest today.

Our World Trade Staff adds: The Japanese mission to Europe follows a visit to Japan last week by Sig Emillo Colombo, Italy's Foreign Minister and Sig Sandro Pertini, the Italian President.

Editorial comment, Page 18

# Scotch popular with Japanese women, survey reveals

BY OUR TOKYO STAFF

SCOTCH and British men's wear enjoy better than expected chances of sales to Japanese women. Practical china, women's suits and knitwear made in the UK attract the most interest among Japanese consumers; British toiletries and socks the least.

These seemingly unremarkable findings are included in the results of a recent study of Japanese attitudes towards British consumer goods.

What is remarkable about the study, though, is that this is the first time the British have carried out a microscale consumer marketing survey in Japan.

The survey, commissioned by the British Overseas Trade Board to help determine why UK goods do—and do not—sell well in Japan, is a step towards emulating the Japanese well-

tried trading dictum: know your market.

The survey was limited to a poll of visitors to a five-city British promotion sponsored by a leading Japanese department store last year. Though it was confined only to those interested enough to attend, it does offer useful raw data.

Generally, UK attempts at cracking the Japanese consumer market have been inconsistent. This is despite certain "natural" attractions that British goods may have in Japanese eyes: Chief among them is the fact that the Japanese seem to enjoy the "traditional British atmosphere".

54 per cent of those questioned liked because of "traditional atmosphere," but regarded as too expensive.

This difference between price and quality has tended to encourage the licensing of British goods for production in quality-conscious Japan, a trend which some British trade officials want to discourage.

Among the potentially-useful information revealed by the study is that Japanese women are surprisingly interested in buying scotch, albeit many on behalf of their husbands.

Scotch scored high among those questioned for "atmosphere" and for carrying a well-

known brand name. The Japanese were less impressed by how well made it was, its colour and packaging.

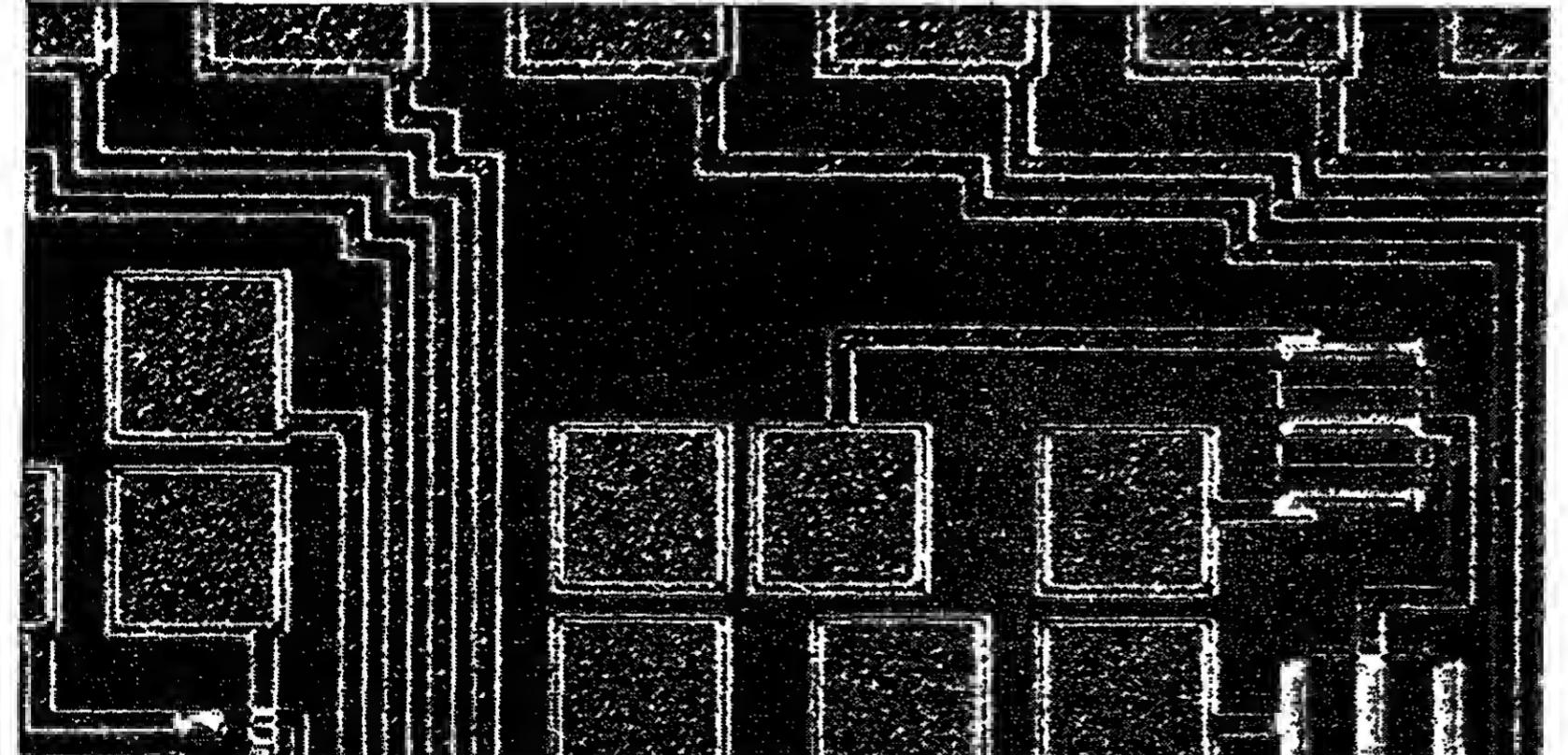
A rather surprising 28.1 per cent of the people who decided against buying scotch did so because "Japanese made it better."

The survey covered a number of other products on display—jewellery, furniture, foodstuffs, knitwear, men's and women's clothing, tableware, china and glassware—as well as consumer views on which goods they would like to see more easily available.

The British Overseas Trade Board, meanwhile, is planning a more detailed study of the market.

Market Research on Visitors to Mitsuokashi's British Promotion 1981, available through the British Overseas Trade Board.

# Gould merges with AMI, the leading custom chip maker, to strengthen electronics position.



As part of its strategy for continued growth in electronics, Gould has acquired American Microsystems, Inc., a leading manufacturer of custom-designed, large-scale integrated circuits. AMI will continue to operate as an autonomous subsidiary.

This new partnership enables AMI to expand their capabilities to serve present customers in addition to providing components for many Gould products such as super minicomputers,

programmable controllers and computerized graphics. The ability to customise ICs gives Gould greater design sophistication in electronic products for many up-and-coming markets, such as factory automation. AMI's capabilities also considerably advance Gould's technological leadership in electronic components and materials, one of six electronics markets on which Gould is concentrating.

The other growth markets

are 32-bit minicomputers, factory automation, test and measurement, medical instrumentation and defence systems.

For more information on our growth strategy, write Gould Inc., Dept. L-9, Raynham Road, Bishop's Stortford, Hertfordshire, CM23 5PF, England.



# Fresh round of trade negotiations suggested

BY OUR WORLD TRADE STAFF

JAPAN yesterday suggested a new round of multilateral trade negotiations as missions to the U.S. and EEC prepared to leave Tokyo in a further bid to contain trade friction.

The Foreign Ministry in Tokyo will shortly start talks with other Japanese Government agencies to work out a plan for a new series of multilateral trade talks, according to the Ministry, reported by news agencies.

The plan will be taken up in Washington at the end of the week when Mr Yasuo Sakurazuchi, the Foreign Minister, arrives for talks which will be held against the background of growing concern in the U.S. about Japanese trading policy.

This week too Mr Masumi Esaki, a former Minister of International Trade and Industry, will start a two-week tour of the EEC to explain measures which Japan has already taken to facilitate access to its own market—accelerated tariff reductions, steps to bring down 67 non-tariff barriers and the

setting up of a trade ombudsman's office.

The mission will also be seeking further ideas on additional measures the Japanese Government can take on market access.

Japanese officials in London interpreted the move towards a new round of multilateral trade negotiations as a sign of willingness to use the ministerial conference of the General Agreement on Tariffs and Trade (GATT) next November as a springboard for moves to liberalise trade in services.

The U.S. particularly has been anxious to see the GATT conference set off a work programme on services which might lead to a detailed negotiation in the second half of this year. The restrictions it receives on services trading has been an underlying factor in its frustration with Japan.

Nearly half of U.S. exports are thought to be in services like aviation, insurance, banking and engineering, while general trade in services worldwide has been growing faster than trade in goods.

# Indonesia remains world's largest exporter of LNG

BY RICHARD COWPER IN JAKARTA

INDONESIA RETAINED its position as the world's largest exporter of liquefied natural gas in 1981, hoisting its share of the world market to around 40 per cent.

Preliminary estimates show that Brunei and Algeria retained their positions in second and third place respectively, but that total LNG trade declined for the second year running following a series of pricing disputes which hit production.

According to industry officials, total world LNG trade fell by around 6 per cent last year to an estimated 31.5m tonnes, largely owing to a big cut in Libyan exports and a continuous decline in Algerian sales—both results of serious pricing disputes with major customers.

Worldwide LNG sales reached a peak of around 25m tonnes in 1979 when a pricing battle

between exporters and importers—most notably between Algeria and the U.S.—brought a halt to 15 years of increasing world LNG output.

Algerian production reached 8.4m tonnes in 1979, fell to 4.5m tonnes in 1980, and declined to an estimated 2.5m tonnes last year.

Libya, which has tried to follow Algeria's lead in attempting to impose higher prices, has been hit even more badly. Production of around 32m tonnes in 1979 is unlikely to have gone much above 600,000 tonnes last year.

In contrast, Indonesia sold a record 5.5m tonnes in 1981 according to figures from the Bank of Indonesia. This was an increase of 3 per cent over 1980 and an increase of 4 per cent over 1979, when production was 6.2m tonnes.



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# It's time the businessman stopped giving other passengers a free ride.

It isn't paying the full fare that sticks in the gullet, is it?

It's knowing that the bloke sitting next to you eating the same food and guzzling the same drink is only paying half fare.

Well from now on it won't happen on our airline.

If you pay the full economy fare you get the full treatment:

Fast check-ins at separate counters.

A reserved seat in our new EuroClass cabins up front where first class used to be.

Two or three inches more kneeroom than

British Airways give you, to save you breathing in when the man in front leans back.

And free drinks to save you the hassle of hunting for loose change.

Your meal will have a decidedly Scandinavian flavour and come in decidedly Scandinavian size portions.

And you'll find us even more generous with things that cost very little, orange juice, coffee and hot rolls.

On the ground, in all our Scandinavian airports, you can unwind in the lounges for EuroClass passengers, buy cocktails, take coffee, make

'phone calls or ask us to book hotels and flights for you.

Yet, with all of this, our EuroClass is the same price as other airlines' economy class.

We are the only airline to make no surcharge of any sort for its business class on European routes.

This doesn't exactly make us popular with the other airlines.

But it's beginning to make us very popular with our passengers.

**SAS**  
**EuroClass**  
Scandinavian Airlines System.

## Exhibition centre for Glasgow approved

By Mark Meredith, Scottish Correspondent

THE development of a £30m Scottish industrial exhibition centre on the Clyde at Queens Dock, Glasgow, was approved yesterday by Mr George Younger, Secretary of State for Scotland.

Funds will come from the Scottish Development Agency, Government's industrial promotion arm in Scotland, local authorities and the private sector. Negotiations have to be completed with Strathclyde Regional and Glasgow District councils.

Work will start this year pending final approval. It is hoped the site will be ready by Christmas 1984.

The Scottish Secretary said about a third of the finance would be private, on a risk basis and a good return for private developers with shares in the centre would depend on its successful operation.

Queens Dock, on the Clyde's north bank, has been derelict for many years. City-planners discussed for some time the need for exhibition sites to supersede the Kelvin Hall, which offers only about 6,000 sq ft of exhibition space.

The site would offer 20,000 sq ft in five halls. One hall would take sporting events and accommodate an audience of 8,000.

The Scottish Development Agency has assembled proposals to build the centre, which would cost an estimated £18m. The remaining £12m would be spent on site acquisition, reclamation costs, road works, services and environmental improvements.

The Government believes the centre would provide economic benefits for the region and a central shop-window for industry.

## British miss £20m Telecom business

BY JASON CRISP

IN A major new departure British Telecom has ordered £20m of central exchange equipment from two foreign-owned companies. One of them is the computer giant IBM.

The order is for equipment to enhance existing exchanges and provide sophisticated facilities which will eventually become available on advanced digital exchanges, such as System X.

British Telecom traditionally has bought most of its equipment from GEC, Plessey and Standard Telephones and Cables, a subsidiary of I.T.T. This order follows British Telecom's first major international tender for exchange equipment. Eleven companies were asked to tender, including Plessey, GEC, STC,

Fujitsu, Thorn Ericsson and Mitel — of which eight made bids.

Two contracts worth £10m each, and worth twice the original tender, were placed with IBM and TMC, which is a subsidiary of Philips, the Dutch electricals giant and a major British Telecom supplier.

STC is believed to be particularly upset that an order has gone to IBM. One of the main exchanges which are to be enhanced (TKEEA) was designed by STC and originally had the features required, before they were designed out for cost reasons at British Telecom's request.

The features include itemised billing, abbreviated dialling,

automatic alarm calls, call diversion, an indication that there is another call waiting, call barring which prevents people ringing you, and three-party conference calls. The features will become available on all but the oldest Strowger exchanges.

The contract potentially is worth far more than the initial £10m to each company. British Telecom is understood to reckon 10 per cent of its 28m customers might be willing to pay for extra services, which could be worth up to £260m for the suppliers.

One of the major attractions to British Telecom is that the equipment will enable it to charge differential prices for the

same service. This will help it to compete with private services. Although British Telecom retains a Buy British policy, it argues that competition with its own services means it has to buy the cheapest equipment available internationally.

One company which failed to win this latest order thought British Telecom deliberately chose foreign companies, to prove to the Government that competition would damage British industry.

The latest contract involves the installation of "black boxes" at the main telephone exchange between the customer's incoming line and the exchange. Most of the equipment will be made in the UK.

## U.S. deal catapults the Saatchis into world ranks

David Churchill reports on the reverse takeover of Compton by an 'audacious' agency



TOP: Maurice Saatchi of Saatchi and Saatchi  
BELOW: Charles Saatchi talent for winning

SAATCHI AND SAATCHI, the advertising agency which could yet help Mrs Margaret Thatcher win her second General Election, yesterday made its long-awaited foray into the lucrative U.S. agency market. In doing so it jumped headfirst into the world top 10 rankings for advertising agencies.

Saatchi's, which has already risen from virtually nothing to become the UK's largest agency over the past decade, has concluded what it describes as the biggest advertising agency merger in the world.

In a complex financial deal, Saatchi's is paying \$29.2m (£16.2m) in cash and a further \$27.6m to key executive over the next 10 years for Compton Communications in the U.S. Compton is ranked number 13 in the world league table for advertising agencies with billings of over \$1bn in 31 countries.

Advertising agencies throughout the world are fond of creating league tables based on the value of advertising campaign mounted for their clients. Saatchi's billings in 1981, according to the trade newspaper Campaign, were £101.2m, an increase of almost 22 per cent on the 1980 figure. This put Saatchi's some £5m ahead in billings terms of its international rival, J. Walter Thompson.

### Strength

The combined strength of the two agencies is estimated at \$1.3bn and will make the combined group about ninth in the world.

Saatchi and Compton have worked together as partners in international advertising markets for the past seven years, during which Compton has held a 20 per cent stake in Saatchi's main advertising subsidiary, Saatchi and Saatchi Compton. The two agencies at present share a number of major multinational clients, including Procter and Gamble, IBM, DuPont, Max Factor, United Biscuits, Black and Decker, Nestle, and Kodak.

Both agencies will continue to operate autonomously with independent managements, but will attempt to strengthen cooperation in world markets and especially in Europe. Saatchi and Compton Worldwide is being formed to co-ordinate the

### Pension changes effect 'neutral'

By Eric Short

THE PROPOSED revised terms for contracting-out of the earnings-related part of the state pension scheme are likely to have a neutral effect on employers.

The revisions will hardly lure employers away from company pension plans back into the state scheme, as foreshadowed by some commentators.

This is the main conclusion by Noble Lowndes and Partners, a leading firm of pension consultants, in a review booklet being sent to clients.

Under the terms of the state scheme, employers can opt out of the earnings-related plan by providing the pension through a company scheme. Both employees and employers then pay reduced National Insurance contributions.

Mr Norman Fowler, Secretary of State for Social Security, announced that from April 1983 the present combined rebate of 7 per cent will be reduced to 6½ per cent and terms for employers buying back into the state scheme will be more stringent.

Noble Lowndes say that although a cut in the rebate was expected the actual reduction was larger than anticipated.

The authors of the booklet consider that, separately, the rebate changes were marginally adverse and their combined effect was a significant worsening of the situation.

They add that investment conditions in the past four years have been favourable to employers contracted-out of the state scheme, producing a broadly neutral net effect in financial terms.

Nevertheless, the booklet suggests that employers should review the situation. Noble Lowndes intends to consult its 2,000 clients on the subject before the end of this year.

who is not yet 40, says that "as more major companies move to thinking about advertising on a pan-European or world basis, much of the \$100bn spent on world advertising will come to be shared around a dozen leading international agencies."

Such strategy is becoming increasingly necessary, especially given the advances in global communications and developments such as satellite television.

But more significantly, the Saatchi brothers reverse takeover of Compton is their most audacious coup yet in an industry where doing the impossible is considered almost an everyday objective.

Last July Saatchi's stunned the advertising world (and the City) with its acquisition of Dorland Advertising—then the 11th largest UK agency. The deal not only gave Saatchi's total billings in the number of £1bn (although Dorland's has been run independently), but also gave it the financial muscle to base its move into the U.S.

Ten years ago, such a move would have been unthinkable for the two young brothers and their relatively small advertising agency. But in 1973 the Saatchi merged their agency into the Compton Parsons agency in a reverse takeover that gave the brothers a public quotation in London and a number of major new clients.

Since then Saatchi and Saatchi Garland-Compton has steadily moved into the number one spot in the UK — outpacing JWT and several other majors — through a combination of good management, a talent for winning new "blue-chip" accounts, and a lot of luck.

Not surprisingly, for a company that has grown so far and so fast, there were some City analysts and advertising industry peers who last night were slightly cynical about the latest move. The general feeling among such critics was that the Saatchi brothers may have pre-empted themselves with this deal.

But there were others who felt that since Saatchi's had planned the move for so long, and the partner was an established "bed-fellow," then the merger should work. There is general support, however, for the strategy that sees advertising becoming increasingly an international business in the 80s and 90s.

Although Saatchi and Saatchi is still near the bottom of the top 10 league, giants such as Dentsu of Japan or Young and Rubicam and JWT in the U.S. will undoubtedly soon begin to look nervously over their shoulders at these brash upstarts from the UK.

## Former BL man in bid to save CP Trim jobs

By John Griffiths

MR PRATT THOMPSON, the former managing director of Jaguar Rover Triumph, is heading an operation to save 70 jobs at CP Trim, the Belfast supplier of interior trim for the De Lorean sports car.

Proposals put last week to the Northern Ireland Development Agency are aimed at preserving that part of the business not dependent on supplies to De Lorean. CP Trim, like De Lorean, is in receivership.

The proposals are understood to involve the injection of fresh private investment if some further help for the venture is also to be forthcoming from the NIDA.

Since leaving BL last year Mr Thompson has been with the Geneva-based Colbert investment group.

CP Trim was formed less than two years ago specifically as a De Lorean supplier, but it diversified recently into plastics technology, luggage-making and seating.

## Evans in command for another day at Times

BY IVO DAWNEY, LABOUR STAFF

MR HAROLD EVANS remained at his editor's desk at The Times last night although it remained unclear whether he would still be in charge of the newspaper after the board of Times Newspaper's Holdings convenes.

The board, which includes the key six independent national directors, has been asked to attend a meeting tomorrow afternoon, which may be postponed until Thursday if some directors are unable to break engagements and participate.

Mr Evans again declined to comment on his future yesterday beyond a jocular reference to the sinister goings-on in a recent television serial.

"I am not making any comments about what happens in Borgias part 12," he said. "We are still running Borgias part 11. I have not resigned as editor."

Mr Bernard Donoghue, an assistant editor at the paper and a close friend of Mr Evans, confirmed yesterday that the editor had been in contact with

national directors of the paper at the weekend. But it remains uncertain whether he will await the board meeting to address them.

Mr Donoghue said that Mr Evans has so far declined to resign "because he wished to establish the principle that the editor of The Times should not be 'roadblocked out of the chair'."

Nevertheless, Mr Evans may feel that if the board is not to meet until Thursday, a further 24 hours as editor may not be a burden worth bearing. Terms for his departure were agreed on Friday and have only to be signed.

Earlier yesterday, Mr Charles Douglas-Home, deputy editor and expected successor to Mr Evans, called for an end to "divisive operations."

Mr Douglas-Home denied any connection with the radio broadcast on Sunday of letters from Mr Evans to be proprietor, Mr Rupert Murdoch, which were presented as evidence of the editor's failure to maintain editorial independence.

## British Gas to pay more for Hewlett supply

By Martin Dickson, Energy Correspondent

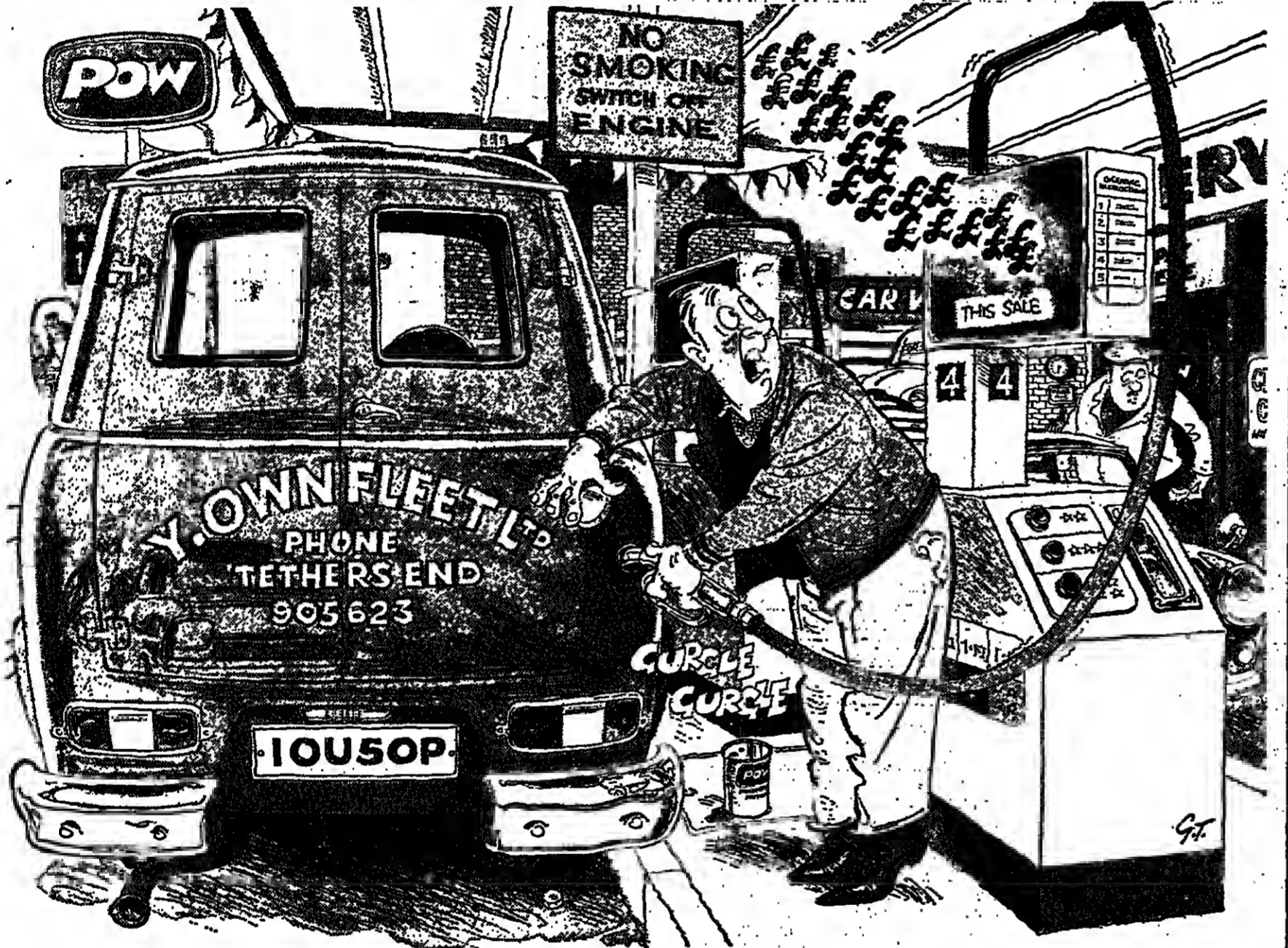
BRITISH GAS has agreed to pay more for gas supplies from the Hewlett and North of Hewlett fields of East Anglia.

The corporation refused yesterday to disclose the price agreed with the 12-company consortium which owns the Hewlett fields, but it is believed to be about 6p-7p a therm, high for a field in the southern section of the North Sea.

A contract for Hewlett gas signed in the 1960s enabled the consortium companies to demand a higher price if they felt the terms of the agreement were causing them hardship.

The companies invoked this clause in 1977, and the following year were awarded an increase by an arbitration court.

In return for the higher price the companies have agreed to drop from the contract a hardship clause enabling them to apply for a rise in prices. The new deal also gives British Gas greater flexibility over the times it receives supplies.



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UK NEWS

# Retail sales fall 0.9% after brief surge in January

BY ROBIN PAULEY

HIGH STREET spending fell in February, according to Department of Trade statistics issued yesterday. After a short January sales boom, retailers are back in the position of a year ago, the figures show.

The sales volume has been sluggish for most of the last year and is expected to remain flat until well into spring, with no real hope of a substantial pick-up until the last half or even last quarter of this year.

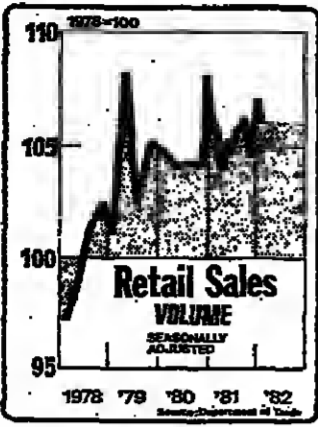
Although high street spending has fallen, it is still higher than the miserable November figure, which was followed by a December disaster inflicted largely by bad weather. When December spending began to rise almost Christmas, but this led to higher-than-usual post-Christmas spending, running into an extended January sales period.

The Trade Department reported that the volume of retail sales fell by a seasonally-adjusted 0.9 per cent in February compared with January. The index of retail activity in 1982 is 106 (1978=100). A revised figure will be issued next month.

The index reached its peak of 108.1 in January 1981. Last month's index of 106 compares with 104.7 in February last year and 104.7 in the first quarter of 1980.

The Retail Consortium, which represents most of Britain's retailers, said yesterday that the February figures were predictable. They were not good and although some areas such as electrical toys had enjoyed a real New Year boost, others, such as textile and clothing, were suffering.

The figures showed that the value of retail sales in February was only about 8 per cent



higher than a year ago, several points behind the inflation rate, the consortium said. This illustrated the extent of pressure on retailers' margins.

Although the Budget was neutral from the retailer's point of view, it was clear that personal disposable incomes would be stretched this coming year, with retail goods taking a low place in families' priority lists.

The short-term outlook remained depressingly flat, therefore, but if the Government's calculations on inflation and interest rates proved correct the last quarter of the year would show real improvement.

New applications for credit purchases were 4 per cent lower in February, compared with the same month last year, but were 20 per cent up on January.

The demand for credit in January was exceptionally depressed, despite the high volume of spending in the sales. February's figures, although low in comparison with last year, took business back to near-normal levels.

# Gill may subpoena directors of ACC

By Raymond Hughes, Law Courts Correspondent

MR JACK GILL, the former managing director of Associated Communications Corporation, may subpoena some of the company's directors as part of his fight for a £669,000 golden handshake, the High Court heard yesterday.

Proposals to pay Mr Gill £560,000 for loss of office and allow him to buy his company home at £109,000 below its market value are being challenged in the court by the Post Office pension fund (Postfund Nominees) and other institutional holders of ACC ordinary shares.

Mr William Goodhart, QC, for Mr Gill, told Mr Justice Neave that one major issue in the case was whether the directors acted properly and in good faith when they approved the proposals in September.

Two of the directors, Lord Grade (who has since been succeeded as chairman by Mr Robert Holmes à Court) and Mr Louis Michael, had sworn affidavits on behalf of ACC in response to Postfund's petition.

It seemed unlikely that ACC was proposing to put in evidence from all directors Mr Gill may approach the other directors and see whether they are willing to make affidavits.

For the first time since the petition was launched against Mr Gill, ACC and its associated company, Bentry Investments, five directors, Lord Grade, Mr Michael, Sir Leo Pilitzky, Mr Louis Benjamin and Mr Norman Collins—were represented at yesterday's hearing.

The petition was adjourned a further 14 days to enable Postfund and its supporters to consider amendments.

# Guernsey: a revolution-proof finance haven

Edward Owen on a general election unlikely to cause international bankers any sleepless nights

A GENERAL ELECTION in an offshore finance haven would normally, one imagines, be watched anxiously from the world's financial centres.

The election of peoples' deputies in Guernsey tomorrow is unlikely to cause any tremors among the international bankers who hold £2bn of deposits in the low-tax island.

The 47 candidates for the 30 contested seats in the States of Deliberation (Parliament) are standing as individuals. There are no political parties to threaten to change of regime, and the deputies will sit unchallenged by any Opposition until the next triennial election in 1985.

Aggressive posters and slogans are conspicuously absent. The campaign is reminiscent of local council elections in Britain before the town halls became a battleground for Left and Right.

Manifestos deal in measured terms with the need to watch public expenditure and encourage business enterprise, although there is the occasional militant voice. One calls for

radical political reform at home, another for less "dictation" from the UK.

The political structure—a mixture of feudal institutions and post-war democratic reforms—makes the island to all intents and purposes revolution-proof.

For example, 22 members of the States (a name derived from the French Les Etats) are not involved in the election. Ten are the douzainers (elected annually by the douzaines, or parish councils). The others are the 12 conseillers, senior statesmen, who head most government committees. These are chosen for six years by an electoral college composed of States members, rectors and other community leaders.

This method of appointing the leading politicians is defended as ensuring political continuity.

Critics say Jersey elects its counterparts, 12 senators, by popular franchise without any

apparent loss of stability.

Served by a daily newspaper and Channel Television—and from today by a BBC local radio station—Guernsey is intensely interested in its own affairs, but apathetic about deciding who is to run them.

Of the 40,000 or so islanders over 18 eligible to vote this year, only 22,133 registered—more than 1,100 fewer than in the 1979 election.

In three of the 10 parishes, which correspond to constituencies, there is no contest. In the remaining seven, on past experience 60 per cent to 65 per cent of those whose names are on the electoral roll will go to the polls.

Left-wingers, whose main voice in a non-party society is through the trade unions, say one reason for electoral apathy is that the working class knows it cannot gain any solid representation in the States because

members are unpaid.

In fact, the island has compromised somewhat with its belief in voluntary service so "persons of moderate means" can enter the States.

Members can claim up to £5,000 a year, or £8 a half-day, for attending approved States and committee meetings, as well as expenses of £4 a half-day.

This is subject to a means test. Members have to repay the allowances if the total income of themselves and their spouses exceeds £7,000.

The increasing sophistication of island affairs, especially since Guernsey became an offshore heavy workload for legislators.

States meetings are held once a month, but tend to take two or three days. A chartered accountant who has just reluctantly stepped down as a councillor says that presidency of a government committee

can be almost a full-time job.

Guernsey's parliament is presided over by the Bailiff who, as well as being civil head of the island, is also its chief judge.

This is a Crown appointment to which islanders rise through an established legal hierarchy. Sir John Loderidge, the present Bailiff, will be succeeded in August by Mr Charles Frossard, his deputy, who was previously HM Procurer (Attorney-general) and HM Comptroller (Solicitor-general).

No newly independent Commonwealth country would be allowed to have a constitution that did not separate legislative and judicial functions.

The finance industry, which provides more than 40 per cent of Guernsey's business profits, does not want to see any changes in the political system.

Bankers never fail to emphasise that the island's political stability is at least as important as its unchanging 20 per cent income tax rate.

# 23rd issue certificates raise £200m on last day

BY ROSEMARY BURR

ABOUT £200m was invested in the 23rd issue of National Savings certificates on the last day of their sale, said the Department of National Savings yesterday.

The rush to buy, last Wednesday, followed the Budget announcement of their withdrawal without the usual few weeks' notice.

The 23rd issue offered a record return to investors with an interest rate of 10.51 per cent annually over five years, free of tax.

The 23rd issue was launched in November and by the end of February sales had totalled £700m. The department said total sales will probably reach

£1bn.

It was the heavy demand for the 23rd issue, combined with the popularity of index-linked certificates—granny bonds—which meant the Government's National Savings target of £3.5bn by March had been reached easily. It was the success of the fund-raising and the recent fall in interest rates led the Government to announce the withdrawal of the 23rd issue.

The Government last withdrew an issue without notice in 1982 and it took two months to launch a replacement. The National Savings Department hopes the new 24th issue will go on sale next month.

# Construction safety plan launched

BY ALAN PIKE

MOUNTING concern about the high fatal accident rate in the construction industry has given rise to a major initiative to improve safety training from the Construction Industry Training Board.

About 400 construction workers were killed in the past three years. In 1980 there were more fatal accidents in construction—128, and 151 including fringe construction activities—than in the rest of manufacturing industry, mining and agriculture put together.

This high accident rate is a particular source of concern, since it occurs at a time of lower activity in the industry, caused by the recession.

The board's package consists

of four sections, which can be used to produce week-long safety courses, or as source material for shorter training sessions. It is likely to be used in technical colleges and training centres as well as on sites by companies.

Mr Vic Jordan, deputy chief inspector of factories, said at the launch of the package that there appeared to be "almost a resignation about deaths and serious injuries in the construction industry or, at least, a failure to appreciate the magnitude of the problem." The 1980 fatal accident rate was unlikely to have declined in 1981 to match the decline in numbers employed in the industry during the recession.

he said.

Most construction accidents, Mr Jordan said, were not caused by complex technical problems. They were the result of lack of knowledge, or disregard for straightforward precautions. There was a failure to question established but unsafe trade practices, and a failure on the part of management to ensure that employees were properly trained and qualified.

A report by the Health and Safety Executive last year concluded that only a fundamental change of attitude among management and employees would bring about a comprehensive and lasting reduction in accident levels in construction.

## BUILDING CONTRACTS

### Sir A. McAlpine wins £7.5m

WORK WORTH about £7.5m has been awarded to SIR ALFRED McALPINE AND SON (SOUTHERN) of Wexley Hall, Wolverhampton. The largest with an initial value of around £5.12m, is for Dudley Metropolitan Council in connection with a shopping complex known as the Crown Lane Development, Crown Lane, Stourbridge, West Midlands. This includes demolition of existing buildings and construction of a reinforced concrete framed building to provide basement service area for retail shops, market hall, library, offices etc. on a 14-acre site.

The contract will be project managed by Whittingham Commercial of Wolverhampton.

At the Pressed Steel Fisher works, Cowley, Oxford, McAlpine is undertaking a contract worth around £2m awarded by BL Cars. The work includes demolition of an existing structure and construction of a single storey building together with two conveyors over the roof of another existing building. The contract is due to be finished in 36 weeks.

For British Rail Engineering, McAlpine is to carry out work worth about £378,000 at Wolverton, Milton Keynes, which includes construction of an EMU test facility scheduled for completion in 24 weeks.

sidary) has been awarded a £1.5m insulation contract on Phase II of the UK AGR power station under construction at Heysham, Lancashire. This entails insulation of heating and ventilating pipework, ducting and ancillary equipment. A percentage of the insulation requirements is for pipework where the new fibreglass crown pipe insulation will be used. Some 124 miles (20,500 metres) of pipework is involved, together with over 27 acres (112,500 square metres) of ducting.

A £1.7m contract with Milton Keynes Development Corporation to build the city's new bus station, at the west end of city centre adjacent to the newly completed railway station, has been awarded by COYAIN CONSTRUCTION'S Coventry office. This comprises construction of a steel canopy roof covering a smaller two storey structure containing waiting area, snack bar, booking office, newsagent's kiosk, public telephones and toilets and office accommodation for a bus company.

The company's Glasgow office has won contracts worth about £1m with the Scottish Development Agency for the modernisation of blocks 59 and 80 on the Hutcheson Industrial Estate. Work covers modification of existing buildings and subdivision into smaller units, com-

plete with roofing electrical and heating services. External works are included incorporating access roads and parking areas with associated drainage.

FOSTER, RAINFORD CONSTRUCTION, St Helens, has won a system building contract value £417,000 for the North West Regional Health Authority for the erection of three buildings at Oldham and District General Hospital. Special emphasis was placed on the low maintenance external finishes.

HALFACRE AND YOUNG, Maidenhead, has a contract worth £1.25m. The client is The Friends Provident Life office, and the work construction of a computer suite at Dorking. With a reinforced concrete frame clad with brickwork and a proprietary cladding system, this two-storey building is scheduled to be completed within 50 weeks.

BISHOP'S STORTFORD-BASED MYTON, part of the Taylor Woodrow Group, has been awarded a £1m contract by GUS Property Management to build a block comprising shops, offices and flats in London Road, Twickenham. The four-storey building is being constructed on a previously demolished site and is scheduled for completion in January 1983.

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UK NEWS

**Tax report seeks greater efficiency**

By Philip Bassett, Labour Correspondent

PROPOSALS for "far-reaching" changes in the method of tax assessment of the self-employed, which would mean the loss of about 1,700 self service jobs, have been put forward in a report from one of the team led by Sir Derek Rayner, the Prime Minister's personal adviser on efficiency.

The Inland Revenue is to introduce pilot studies based on the findings of what is known as the Yard report, though the Government has drawn back from implementing the report's two most radical proposals.

The most far-reaching change, which the revenue is still processing, is one which, according to the tax staff's union, the Inland Revenue Staff Federation, will remove a major incentive to self-employed taxpayers to submit accounts to the Revenue.

The proposed change is an end to the listing for judgment by the Revenue of appeals in cases where "reasonable" payment on account of a disputed tax assessment has been made, except on accounts overdue for more than two years. This would save almost 400 jobs.

However, the revenue has drawn back from taking any further the two most radical "yard" proposals. The first was that tax returns should be issued to the self-employed for completion only once every four years, unless their trading income exceeded £10,000.

Tax districts would instead have had to rely solely on information submitted by accountants, which the union believed would have put at risk the collection of a considerable amount of tax revenue. It would also have removed from the tax inspectorate a major investigative weapon.

The second proposed change was a suggestion that maintenance payments arising from divorce cases be removed from the tax system altogether. This would have needed legislation, and the Revenue feels that changes, announced in last week's Budget, in the level of such payments above which tax is deducted, have gone some way towards dealing with this issue.

The effect of not proceeding with these proposals was to save a total of about 400 posts. About half of the 1,700 jobs affected by the Yard study will be at clerical officer or typist level.

**Working at a golden idea in Melton Mowbray**

Anthony Moreton looks at a joint scheme to create jobs

MIDAS WAS, as every school-boy knows, the king of Phrygia who, when given a wish, asked that everything he touched be turned to gold.

A similar, if less exalted, desire lies behind the creation of another Midas last November—the Melton Industrial Development Aid Scheme. The aim of this 20th century Midas is to create permanent employment in the Melton Mowbray area of Leicestershire by attracting new businesses and encouraging existing ones to expand.

Rural Melton has the worst unemployment in Leicestershire. While its figure of 11.6 per cent may be a point below the national average, it is sufficiently bad for the county council to want to do something about it, especially as it faces an even more difficult problem with the rundown of mining in nearby Coalville within the next few years.

Melton's problem is twofold: its rural ambience has drawn commuters from Leicester who, with the depression in the textile industry, have since lost their jobs, and it is a one-company town.

The town is dominated by Pedigree Petfoods, British off-

shoot of the U.S. company Mars, probably best known for its Wislaka catfood and Ollon dog-food.

It employs some 2,500 people, and the staff of the next largest employer in the town, the Production Industry Research Association, is numbered in hundreds. Probably 35 to 40 per cent of the people living in Melton can trace their earnings, directly or indirectly, to Pedigree.

Pedigree has grown considerably since it arrived in the town; in the early days its payroll was probably around 1,000. With increasing mechanisation numbers are not likely to rise very much and—worse from the town's point of view—the company has given its workforce an assurance there will be no compulsory redundancies as machines replace men and women.

This means that for some time it will be absorbing its own workers after the introduction of new machinery, and will not be able to offer further opportunities to those on Melton's jobless list.



Pedigree, like other American companies, believes it has a duty to the area in which it is sited. A year ago it launched a youth opportunity scheme in which 25 recent school-leavers were paid £25 a week each to paint railings and the bandstand and repair bus shelters and the like.

This six-month programme was, however, kept at arm's length. Pedigree organised the scheme, provided the finance and the supervision, but the 25 did nothing directly for the company.

term palliatives which offered little in the long term. About the same time, it was approached by Leicestershire County Council to take part in joint schemes that could involve job creation. It was out of this approach that Midas was born.

Midas is a three-way partnership between the company, the county and Melton Borough Council, the second tier local authority. Pedigree Petfoods has put up most of the finance—£55,000 in the first year and a commitment to more—and provided a director as well as organisation facilities.

Such tripartite co-operation is not unique. Midas acknowledges the inspiration and help it received from the St Helen's Trust, where Pilkington Brothers is closely involved. This is the forerunner of all such joint schemes. Unilever is already engaged in a similar project in the Wirral and Shell is active in Durham.

If most of the money comes from the company, most of the facilities come from the two councils. These are building 17

nursery units of between 750 and 2,500 sq ft each and the first five are being allocated to the winners of a Business Award Scheme.

This, like everything Midas does, is geared to work creation through start-up operations. So far there has been a flood of inquiries, and when applications close at the end of March Don Hodgson, director of Midas, expects a total of more than 200. "Not only have the inquiries come from the UK," he says, "anywhere from Aberdeen to the south coast, but we have had one from Egypt and another from Saudi Arabia."

The Loughborough University School of Management is being involved in the scheme, and Mr Hodgson hopes it will undertake a long-term study on what the new businesses mean for the area, such as Durham Business School has co-operated with the Shell project.

For an area more renowned for its hunting—this is Quorn and Beivort country—pork pies and Stilton cheese, Midas is an important step towards a more diversified industrial structure. All Mr Hodgson has to remember is what happened to that earlier Midas.

**Tories plan private services in Birmingham**

By Lorne Barling

A WIDE range of city council services in Birmingham are likely to be handed over to private enterprise if the Conservative group gains control in the local election due to be held on May 5.

The Conservatives yesterday outlined in their manifesto plans to reduce the council's spending by around £15m a year, mainly through contracting-out services such as refuse collection, on which it is estimated that £3.4m a year could be saved.

Other services being looked at for similar treatment are housing management, school meals, architectural and legal work, and the maintenance of parks and recreation grounds.

Councillor Neville Bosworth, leader of the Conservative group, said that if further studies showed that these services could be provided more cheaply and efficiently by private concerns, Birmingham would go further than any other council in employing them.

"We are in favour of privatisation only where it improves efficiency, but it has been proved in Southend that private contractors can provide a better refuse service at lower costs," he said.

The collection of council rents in Birmingham, worth £70m a year, was costing £1m in administration, he said, while much of the council's architectural work could probably be done at lower cost by private concerns.

Mr Bosworth added that privatisation would not necessarily mean a big loss of jobs, since many employees may be taken on by companies providing these services. In Southend, 80 per cent of refuse men were re-employed.

A Conservative-controlled council would also consider selling any property which it was thought unnecessary for the city to own, and council houses would be offered for sale to tenants.

The group also outlined plans to form anti-vandal patrols in an effort to reduce damage in schools, high-rise flats and other council-owned property, which Mr Bosworth said the council had a duty to protect. Around 50 staff would be equipped with vehicles, two-way radios and the equipment necessary to complement the role of the police.

**New 'L' rider rules hit motorbike sales**

By John Griffiths

REGISTRATIONS of motor-cycles and other powered two-wheel vehicles dropped by 14 per cent last month compared with February of last year. But there were the wide variations in the sales of different types of machines.

Moped sales rose by 19 per cent to 5,145, which according to the Institute of Motor-cycling, reflects the continuing demand for economy transport. The IMC believes this sector will be boosted further after the scheduled large increases in public transport fares this spring.

The market for motorcycles "proper" fell by 25 per cent to 8,637. This partly reflects the severe impact on 250 cc sales of impending regulations restricting learner riders to 125 cc machines.

A further underlying reason for this drop is that the majority of motorcycle buyers are in the 16-24 age group, which is suffering from high levels of unemployment. The scooter sector fell back 32 per cent.

**Thefts from households cost £105.7m last year**

By Eric Short

INSURANCE companies last year paid out a record £105.7m on theft claims from private homes, according to figures issued yesterday by the British Insurance Association. This was 40 per cent more than in 1980 and more than double that paid out in 1979.

The increase reflects both a higher number of burglaries in the country and a rise in the average amount of property stolen also partly reflects the effect of inflation since most house contents are insured for their full replacement value.

The announcement coincided with the launch by the association of its Beat the Burglar campaign aimed at emphasising to the public the need to fully secure their homes against theft.

The record rise in thefts was not solely confined to the private sector, though this did show the largest increase.

Thefts from commercial and industrial premises jumped nearly a third to £34.3m and theft of goods in transit by 14 per cent to £7.3m. Money losses

were 30 per cent higher at £7.4m, while all risks insurance rose 26 per cent to £22.9m.

Overall British insurance companies paid out a record £178.1m last year for all theft claims—35 per cent higher than the £132.2m paid out in 1980.

Figures issued by the Home Office last week showed that burglaries from private homes in England and Wales rose by 18.6 per cent to nearly 350,000. Comparable figures for Scotland are not yet available.

However, the 1981 figure understates the total value of items stolen because it only relates to claims made to insurance companies. The Family Expenditure Survey reveals that about one home in four does not insure its contents and many people still underestimate the value of their contents when insuring.

Details of the campaign, including a free-hire video film from the British Insurance Association, Aldenore House, Queen Street, London EC4N 1TU.

**Phone shopping scheme for old people started**

A SCHEME allowing disabled and elderly people to do weekly shopping by telephone or by calling at their local library is being pioneered in Goteshead by the local council and Tesco. It has proved so successful, that the Government has agreed to underwrite it for three years and next year it may be extended to London.

About 600 "disadvantaged" people have been put on the telephone so they can now ring in their weekly shopping list for delivery to their homes the same day.

Weekly food shopping may also be done from the local library. Information available in the library allows shoppers to compare prices before making their choices. They then hand in their shopping list which is transmitted to the supermarket, made up and delivered.

Goteshead council has set up its own delivery service to make the food drops and is training staff to man library reception desks.

**Oil glut must not affect coal supply, says Ezra**

By Martin Dickson, Energy Correspondent

THE WEST must continue expanding its capacity to mine and burn coal and not be lulled into a false sense of complacency by the current oil glut, Sir Derek Ezra, chairman of the National Coal Board, said yesterday.

"We must resist any temptation to make the present temporary decline in energy requirements, and any transient easing in oil prices, excuses for not pressing ahead as fast as possible with coal developments that will ensure our long term independence from the vagaries of imported oil prices and supplies," he told a conference in London.

A high level of investment in the mining industry since 1974 had given UK coal a 33 per cent price advantage over imported oil, and the recent substantial reduction in oil prices had reduced the gap by only one or two percentage points.

Sir Derek welcomed the Government's announcement in the Budget that it was extend-

ing its grants scheme for the conversion of industrial boilers from oil to coal firing. The aid will now cover the conversion of gas-fired equipment and will be available for kilns, furnaces and commercial concerns.

This would give a fresh impetus to boiler and other equipment makers to carry out conversions during the breathing space of the recession. ICI had already announced the first of its conversion schemes, in Cheshire, and was planning to double its coal use at other factories.

Express Dairies and Dunlop were also planning to switch from oil to coal, Sir Derek said.

Mr Richard Ormerod, an NCB official who has been co-ordinating an International Energy Agency study of industrial coal use, told the conference that during the next few years the cement industry in countries belonging to the Organisation of Economic Co-operation and Development would have converted almost entirely to coal, using about 40m tonnes a year.

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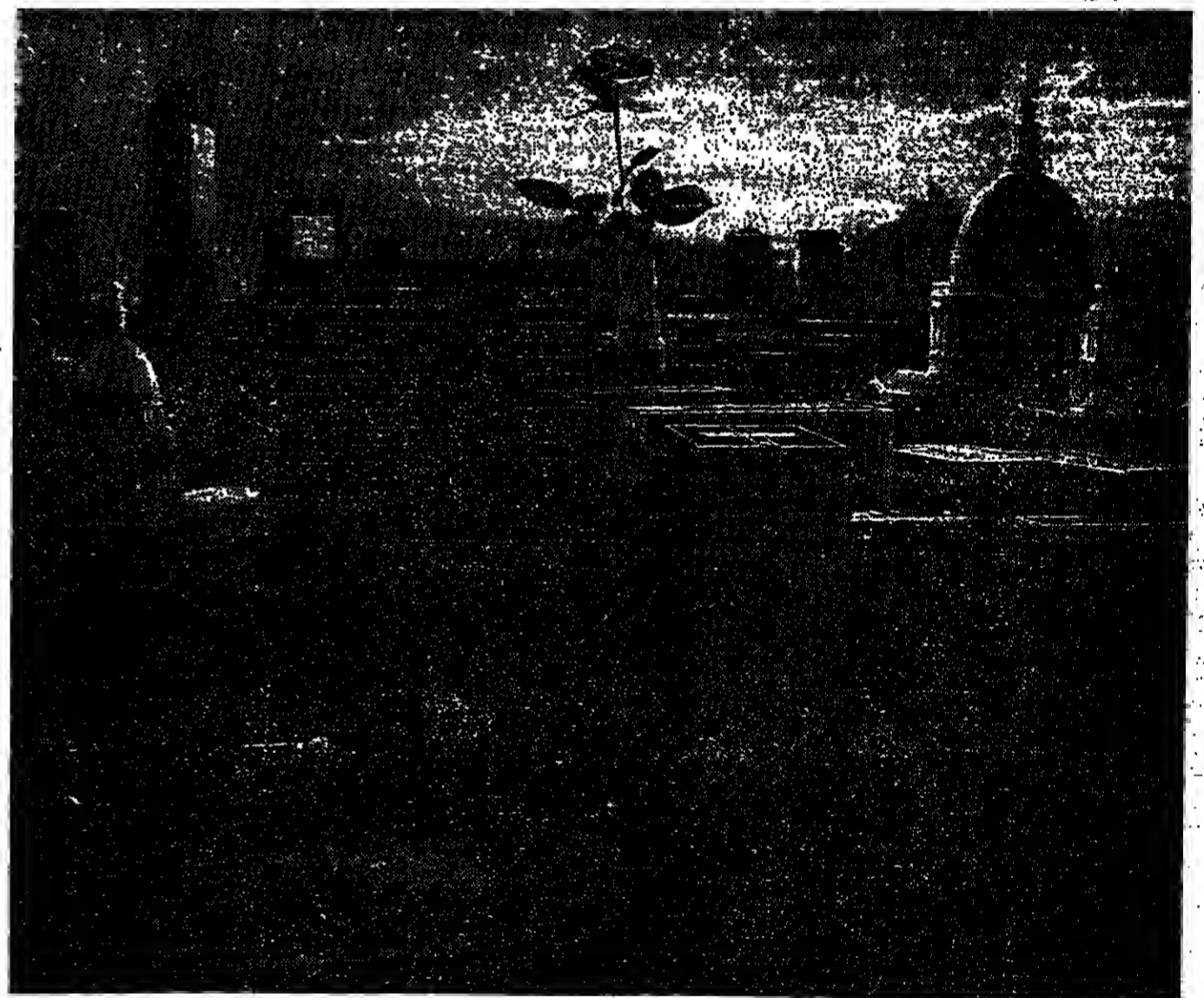


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## Inland Revenue staff vote to accept new technology deal

BY PHILIP BASSETT, LABOUR CORRESPONDENT

TRADE UNION agreement to the Government's offer of an interim two-year deal on introducing new technology in the Civil Service was virtually assured yesterday, when a special conference of the key Inland Revenue Staff Federation voted in favour of acceptance.

The IRSF vote means that the deal, which includes a guarantee against compulsory redundancies arising from new technology over the next two years, will be formally accepted on Thursday by the full Council of Civil Service Unions.

Committed votes, on the basis of seats on the council, now stand at 46 in favour of the deal. The IRSF has eight seats, and the Prison Officers' Association (three seats) has also decided to vote in favour.

This is enough to give the necessary two-thirds majority of the 63 council seats, even if the Civil Service Union (six seats) were to join the Society of Civil and Public Servants (11 seats) in opposing the deal.

The CSU executive is to vote on the offer today, and is likely to accept it, as the union's general purposes committee voted 4-2 in favour last week. The CSU is the organisation of lower-grade civil servants.

The IRSF acceptance was a surprise to many in the unions, who were convinced that the union's delegates were going to reject it. However, after a show-of-hands vote was 31-32 in favour, a card vote at the conference in London confirmed acceptance by 378-290.

Most of the delegates who spoke were against the deal. They felt that the guarantee on redundancies was not hard enough, and that no benefits in terms of pay or shorter hours had been won.

Mr Tony Christopher, IRSF general secretary, said that, because of its drawbacks, the agreement was not one that he would normally have recommended. He agreed with the doubts of many militants in the union but felt that the timing of their opposition was wrong.

## Treasury stands firm on productivity pay

BY OUR LABOUR CORRESPONDENT

THE GOVERNMENT still maintains that productivity payments are inappropriate for white-collar civil servants, except in specialised, semi-commercial areas such as the Royal Mint.

In evidence to the inquiry into Civil Service pay, chaired by Sir John Megaw, the Treasury said: "The Government does not consider that (productivity) schemes based on broad measures of outputs or inputs would be appropriate at national or departmental level in the non-industrial Civil Service."

Drawing a distinction between linking pay to performance, covered in separate evidence to the Megaw inquiry on merit pay, the Treasury paper does not see productivity bargaining as likely to encourage higher efficiency.

While acknowledging that 15.4 per cent of non-manual employees receive payment-by-results payments, according to New Earnings Survey figures, it says payments to staff most comparable to white-collar civil servants were much lower, at 1.3 to 2.3 per cent.

Politically the Government does not support productivity payments to civil servants. It firmly resisted, for example, improving pay, hours or leave arrangements in return for offering civil servants a 2-year non-redundancy pledge as part of the agreement for the introduction of new technology in the Civil Service.

Productivity schemes could be introduced for staff such as typists, data preparers and messengers, where routine work can be precisely measured, though this could cause difficulties with staff who felt that the nature of their work excluded them from such payments.

The only real area identified by the Treasury as a possibility for introducing productivity payments is where output can be measured on a commercial basis, such as the Stationery Office and the Royal Mint. Even here, though the contribution of white-collar, as opposed to industrial workers, might be difficult to measure.

The Megaw Committee, due to report by mid-summer, is also maintaining its interest in no-strike agreements.

## Industrial action urged on health service pay claim

BY BRIAN GROOM, LABOUR STAFF

THE white-collar National and Local Government Officers' Association will today urge TUC health service unions to consider industrial action in support of their co-ordinated campaign for pay rises in line with inflation — currently 12 per cent — shorter hours, and longer holidays.

Rises of 4 per cent have been rejected by leaders of 350,000 ancillary and clerical workers, while 500,000 nurses have been offered increases averaging 6.4 per cent.

Nalگو's call will be made at a special meeting of the TUC Health Services Committee, which has for the first time united the 14 TUC-affiliated

unions, covering 650,000 of the one million NHS employees, in a common strategy.

The higher offer to nurses is widely seen by unions as a divisive tactic. Mrs Ada Maddocks, Nalگو's national health officer, said: "The health service is a unified body and we will remain united in our determination to get a fair pay rise."

Nalگو, which has 105,000 health service members, said health workers got 6 per cent last year when other public service workers received more. This year's offers compared with a 13.2 per cent increase for police, 10.1 per cent for firemen, 8.9 per cent for council manual workers,

## Scots move raises hopes in teachers' pay dispute

By Iva Dawson, Labour Staff

A DECISION by Scottish education authorities to send a 12 per cent teachers' pay claim to arbitration has raised the hopes of English and Welsh teachers' leaders that the management side of the national Burnham committee on wages will allow a similar move.

The Educational Institute of Scotland, representing most of the 60,000 Scottish teachers, welcomed the management decision.

Mr Keir Bloomer, deputy general secretary, said he was not surprised that they have agreed to go to arbitration, but he was surprised that they failed to increase their 4 per cent offer first.

The National Union of Teachers, Britain's largest teachers' union, said it was "delighted" by the move.

Last Friday teachers in several English and Welsh education authority areas began a boycott of school meals to resist a management proposal.

About the six weeks of strikes, sparked off by BR's refusal to pay Aslef an outstanding 3 per cent payment, Mr Buckton said: "All concerned should be under no misapprehension that the action of my members was concerned more with the imposition of variable rostering and all that

## Train drivers consider new roster unworkable

LEADERS OF the train drivers' union, Aslef, yesterday warned the arbitration tribunal on the British Rail flexible rostering dispute that if it decided to favour of BR it would have to convince the union's 24,000 members, who were totally opposed to varying the traditional eight-hour day.

The hearing of the Railway Staffs National Tribunal, the industry's highest-level appeal body, was the first time since the dispute which led to the recent 17 days of national rail strikes that the Associated Society of Locomotive Engineers and Firemen has formally put its case. It had boycotted the inquiry set up by the Advisory, Conciliation and Arbitration Service.

The Railway Staffs National Tribunal, chaired by Lord McCarthy (is expected to deliver its report on the issue, which will not be binding, in a couple of weeks.

Mr Ray Buckton, Aslef's general secretary, said that he had never known in his involvement with the railways such an issue which had been so emotive or which had provoked such determination from footplate staff to resist a management proposal.

Quoting a letter of support for the strikes from a train-driver's wife, he reported her as saying: "Someone, somewhere, hasn't thought of the human aspect of these flexible shifts."

"In the eight years my husband and I have been married, I have learnt to live with shift work but this is something entirely different, and it would be a sad day for me if it ever came into action."

## Philip Bassett reports on the railway tribunal hearing

the Railways Board wished to associate with it than the obtaining of a 3 per cent payment.

Mr Buckton laid great emphasis on the stress, strain and unsocial nature of footplate work, which he said would all be worsened by the introduction of flexible rostering. It would put at risk BR's safety record.

He reported in detail comments from members at local level on how unworkable the proposals for flexible rostering of seven to nine hours, were against the eight-hour day currently worked.

The union provided considerable documentary support for its contention that because of the distances drivers tend to live away from their depots drivers on rosters of nine hours could well be away from home for 12, 13 or more hours, and driving for a considerable part of that time.

Mr Buckton said Aslef had fully met its obligations on productivity, and had entered discussions with BR in a meaningful way. Indeed, it was a measure of the union's past co-operation with BR on productivity that the board was reduced to proposing changes which would be of no benefit to footplate staff but which were simply aimed at reducing BR's wage bill.

He said that the BR proposals would penalise drivers for management's inability to roster

efficiently. It was clear BR aimed to carry this principle much further with an eventual flexibility of four to 10 or even four to 12 hours.

British Rail called on the tribunal to recommend implementation of both its proposals on flexible rostering, the allied proposals on single manning of trains beyond an eight-hour shift and to recommend quick negotiation on other outstanding productivity items.

The BR board laid great stress on the flexible rostering agreement which had already been reached for guards, based on exactly the same principles as the proposals for drivers.

The fact that the guards' flexible rosters were now in use showed that the system was both administratively and operationally practicable.

BR was critical of Aslef's position throughout the protracted negotiations of the issue so far. Mr Cliff Rose, BR board member for industrial relations, said: "The Aslef stance is one of all take and no give; a shorter week with more rest days, but no changes which would help meet the cost."

The railway board regretted the fact that Aslef seemed to have closed its mind to the possibility of change.

BR laid stress on the importance of linking introduction of flexible rostering to a variation of the current agreement

to allow trains to be single-manned for longer than eight hours.

Under present agreements, no turn over eight hours may be single-manned except by special dispensation of the joint Regional Manning Committee.

BR told the tribunal that in practice this dispensation did not exist, because of the staff side's refusal to consider such proposals.

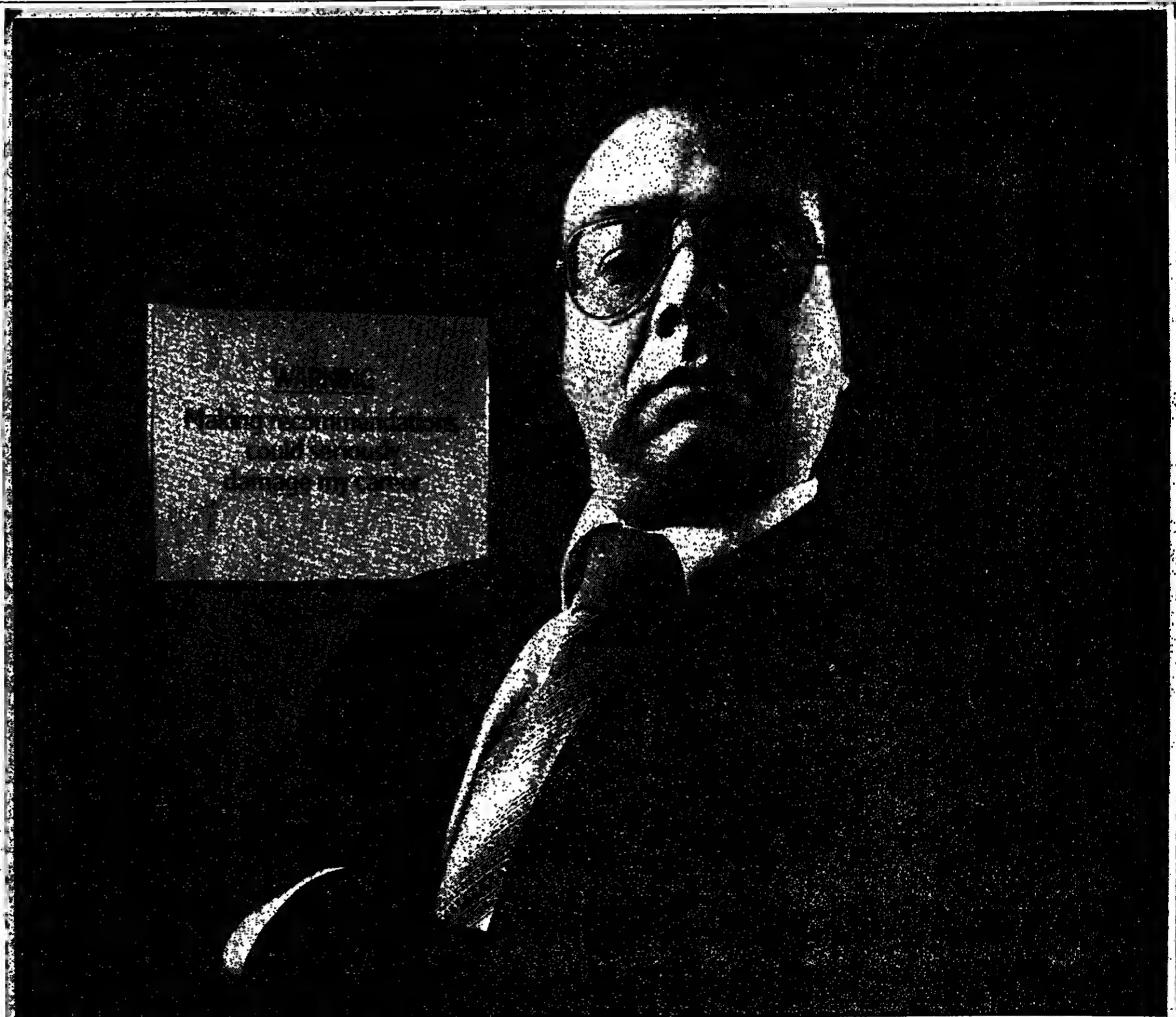
If the seven to nine hour shifts were brought in, broadly half the driving turns of duty would be in excess of eight hours. However, if the single manning restriction was maintained, about 4,000 extra drivers' assistants would be required, at an extra cost of about £32m per annum.

British Rail believed it was possible, through flexible rostering, to improve the average train working time per roster by up to 15 minutes, or about 7½ per cent.

BR's largest union, the National Union of Railwaymen, came down heavily in BR's support in its evidence to the tribunal. Mr Russell Tuck, NUR senior assistant general secretary, said that the NUR was looking for an award from the tribunal "that a similar agreement (to the one for NUR guards) should now be reached for footplate staff."

Further, the NUR said: "In the NUR view it is perfectly feasible to introduce variable rosters for footplate staff."

The union suggested that Aslef's position meant that it did not dispute this.



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## Construction staff plan rally

CONSTRUCTION WORKERS are to hold a rally and lobby of Parliament next week in protest against the high unemployment in the industry.

Mr Les Wood, general secretary of the Union of Construction, Allied Trades and Technicians, yesterday criticised the new provisions announced in the Budget.

## Rival unions seek backing

ATTEMPTS by two rival TUC unions to win the support of professional and managerial staff enter a new tactical phase this week, reports Brian Groom.

The Electrical and Engineering Staff Association (Eesa), the staff section of Mr Frank Chapple's right-wing-led Electrical and Plumbing Trades Union, yesterday announced an umbrella organisation known as the Council of Managerial and Professional Staffs.

## Scargill call to fight jobs Bill

By Our Labour Staff

TRAD UNIONISTS will have to take industrial action to defy the Government's labour law proposals, Mr Arthur Scargill, president-elect of the National Union of Mineworkers, said yesterday.

He was making his final presidential address to the council of the Yorkshire area of the NUM in Barnsley.

Referring to the new Employment Bill being brought in by Mr Norman Tebbit, Employment Secretary, he said: "I believe it will be necessary to use all measures, including industrial action, to defy Tebbit's law and defend our movement."

Other unions and associations, however, will be invited under the umbrella. It is an attempt to entice some of an estimated 35 independent associations into Eesa's sphere of influence, although they would remain independent.

UK NEWS - PARLIAMENT and POLITICS

Commons Sketch

The SDP really is having rotten luck

THE Social Democrats really seem to be having some rotten luck at the moment. The last time Shirley Williams decided to make a major Commons speech on the economy she was overshadowed by Ted Heath, the former Conservative Prime Minister, delivering one of his critiques of Government policy.



Heath Jenkin Powell

Heath urges reflation to cut unemployment dangers

BY JYOR OWEN

MR EDWARD HEATH, the former Prime Minister, yesterday made a new call for positive Government action to stimulate home demand, and repeated his warning of the danger of allowing unemployment to go on increasing until it exceeds 4m.

productivity and efficiency. He contended: "It is not the lack of demand which has led to high unemployment in British industry. "It is our inability to match the efficiency and productivity of our competitors and their performance in product quality, reliability, design and delivery."

investment but in the quality of its use. "In other words the major difference in the UK investment record has not been the availability of capital or the willingness of management to invest, but in the apparently poor increase in output achieved from an increment of capital."

relying on other countries to reflate to provide an outlet for British goods. Mr Heath told Mr John Stokes (Conservative, Halesowen and Stourbridge) who suggested that increased demand would come from home buyers, that it was not possible to deal with 3.3m unemployed on the basis of a "buy British" policy.

Jenkins attacks 'silent' Wiseman as Hillhead campaign heats up

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

THE LABOUR PARTY directed its attacks at the EEC yesterday at the start of the second week of the Glasgow Hillhead by-election campaign.



Lord Ross



Wiseman

More personal barbs and innuendo also crept into the candidates' daily press conferences, with talk of party disloyalty and cover-ups.

Mr George Leslie, the Scottish National Party candidate, was asked about Dr Strang's speech at the Scottish Labour Party conference in Perth, and said he would support civil disobedience only if all democratic procedures had been exhausted.

Welsh water 'export price' put at £40m

By Our Welsh Correspondent

WALES should be paid £40m for water exported to English water authorities in order to cut demand by asking: "Where is the demand going to come from to reactivate and recreate the economy?"

Engineering union leader links Labour cash to attack on left

BY PHILIP BASSETT, LABOUR CORRESPONDENT

TRADE UNIONS could not continue to provide support for the Labour Party unless its leaders set an example by taking action against those in the party who "just masquerade" as Labour supporters.



Duffy

He said: "We in the trade union movement must indicate to the Parliamentary Labour Party and the NEC that our tolerance must not be deemed as weakness."

physical and financial support for the Labour Party unless they set an example. Mr Duffy made no direct reference to the bitter reselection contest in Bradford North, where the local party has deposed its AUEW-sponsored MP Mr Ben Ford, in favour of Mr Pat Wall, a supporter of the party's Militant Tendency.

Elinor Goodman looks at two pamphlets that aim to spell out the objective of cutting unemployment

Foot sets out first stage of Labour's next election strategy

MR MICHAEL FOOT, Labour leader, launched the first stage of the party's general election campaign yesterday. He claimed that all its sectors were united behind the objective of reducing unemployment, and called for a new social contract, which could strain this unity in the long term.

What he had in mind was something more democratic and flexible than the last Labour Government's social contract which eventually brought relations between the unions and Labour to breaking point.

Mr Foot was speaking at the start of a £80,000 campaign aimed at telling the electorate how a Labour Government would implement its promise to bring unemployment to below 1m within its first term of office by increasing public spending.

going to profits, earnings, rents and social benefits. At the weekend the Scottish Council of the Labour Party passed a resolution rejecting an economic assessment which contained a commitment to controlling incomes.

Unplanned expansion might create labour shortages in some areas, while others were suffering serious unemployment. It advocates directing new public investment into areas where jobs are most needed.

The second plank of Labour's plan for recovery will be a new industrial strategy, involving planning agreements with some 150 of the largest companies, and an extension of public enterprise into key sectors of industry.

Labour will plan for sustained growth over five years. It will boost spending power, will "public investment projects, major construction programmes, better public services and improved benefits."



Mr Michael Foot, Leader of the Opposition, outside parliament yesterday with a group of health service staff lobbying MPs on pay

Trevor Humphries

Whitelaw defends line on crime

BY LISA WOOD

MR WILLIAM WHITELAW, the Home Secretary, said yesterday he had a "totally firm and utterly realistic" approach to crime.

EEC payment criticised

THE GOVERNMENT should refuse to pay disputed contributions to the European Community budget without prior agreement of the UK Parliament, the Treasury and Civil Service committee said yesterday.

John Hunt

By Max Wilkinson, Economics Correspondent

TECHNOLOGY

Union of viewdata and video set to bear fruit

BY JOHN CHITTOCK

FOR ANYONE living in the UK it may not have escaped their notice that this is Information Technology Year...



What he would make of the sometimes appallingly poor creative standards of many video productions is another matter...

The moving picture element of a CAVIS programme is thus reduced to an extremely functional role - the simplification of information...

Convergence

After seeing two CAVIS programmes I was bound to wonder where this marriage of moving pictures and data will finally lead...

One consequence of such developments will be to expand the usefulness of Prestel and other viewdata systems...

The point is not missed in the report that research on private viewdata systems undertaken by Logica on behalf of Philips Business Systems...

Festival

The Video Festival is largely based on sponsored programmes, which have a lineage that started in the late 1920s...

Yet for all the creative connotations which surround the documentary tradition (which still lingers on in British television)...

Grierson would therefore thoroughly approve of the intentions of Information Technology Year...

Alan Cane reports the impending battle for the U.S. insulin market

Novo takes fight to Lilly

NOVO INDUSTRIAL, the Danish biotechnology company, is within months of commissioning a factory which will be able to manufacture simultaneously products made by traditional biochemistry...

Mr Kim Hæg, executive vice-president for production and engineering said: "It will be a multi-product factory and it will be ready to start production in 1983."

The company is staying characteristically close-lipped about the products the new factory will make by genetic engineering...

Human product

The world leader in insulin is Eli Lilly of the U.S. with approximately 50 per cent of the market. Novo, with sales of about \$33m in 1981, has roughly a third of the world market...

Ms Lindsay Jenkins, an analyst with stockbrokers Fielding, Newson-Smith who specialises in Novo reports: "We cannot at this stage estimate when Novo will have a genetically engineered insulin on the market."

The real battle for dominance in the world insulin market will be fought in the next couple of years and it will be fought with conventionally prepared hormones. And it will be fought on Eli Lilly's home ground...

Such developments may be more efficient. But they will be much less fun—lacking the stimulation and the magic of the cinema.



Mr Kim Hæg, left, and Mr Kare Dullum of Novo

for its genetically engineered product. Novo can count on an effective and aggressive management team hungry for success in the U.S. a marketing arrangement with E. R. Squibb, the U.S. pharmaceutical company...

But insulin from pigs or cows is never a totally satisfactory replacement for human insulin. The hormone is a protein built up of amino-acid building blocks—porcine insulin differs from human insulin in only one amino acid.

Founded in 1925, the company's success is based on its ability to extract and purify two kinds of compound from animal tissue, hormones such as insulin, and enzymes like trypsin. In the 1950s, it developed an improved series of insulins extracted from porcine and bovine pancreases—the Lente series—which reduced the number of daily injections required.

It can also point to a remarkable financial record. Its annual results for 1981, released last week, show a turnover of U.S.\$305m, some 29 per cent up on 1980. Income before taxation was up by 47 per cent, from U.S.\$33m to U.S.\$42m.

Why insulin is vital

DIABETES is thought to be the third most common cause of death in the West after heart disease and cancer. It is the result of the body's inability to regulate the level of sugar in the blood; regulation is carried out by the liver under the control of the hormone insulin produced in the pancreas...

of something approaching a normal life. Insulin is prepared by processing many thousands of tonnes of animal pancreases annually. Biochemically prepared or genetically engineered insulin offers the chance of substantial supplies of very pure, cheap human insulin. Already physiologists are looking at better techniques of delivering the insulin dosage such as implanted devices which release the correct amount of insulin into the bloodstream over a long period of time.

The good news is FERRANTI Selling technology

Electronic components data base

ESTABLISHED AT the University of Sheffield in conjunction with the British Standards Institute is a computer-based data bank called Codus which holds up-to-date characteristics of all electronics components approved to BS 9000.

Access to the Codus files is now available to anyone seeking the latest information on electronic components of assessed quality. At present, six dial-up lines are available to Codus. A suitable modem or acoustic coupler and a 300 baud VDU or printer are all that is needed to make on-line inquiries.

The current charge for unrestricted use is £750 per annum but new users will be allowed a three month trial period free of charge.

Infra-red analyser

KENT INDUSTRIAL Measurements of Cambridge has developed Infragas 400, an infra-red analyser designed to measure accurately and continuously by volume a selected component in a gas sample stream.

Examples of use include the measurement of sulphur dioxide, ammonia and other toxic gases in pollution monitoring, level checks in industrial processes and the measurement of contaminant levels in gas manufacturing.

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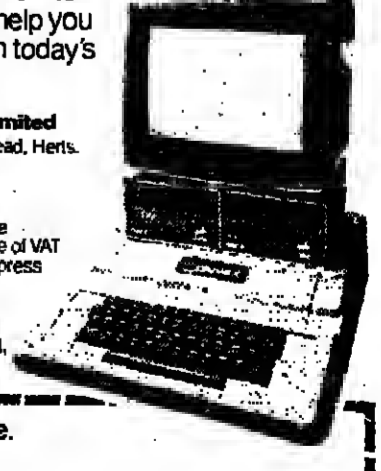
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THE MANAGEMENT PAGE: Small Business

A BUDGET PERSPECTIVE

More scope given for starting up and handing over

IMPORTANT tax incentives which should help entrepreneurs in particular provided one of the brighter spots for small firms in this year's Budget.

CHANGES to the Business Start-up Scheme have been widely welcomed but still fall short of some City and small firm lobbyists' expectations.

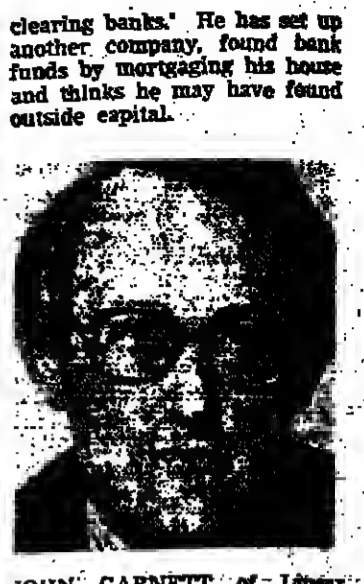
investors apart from those participating in the five approved funds set up under the scheme it is difficult to track down individuals who have taken advantage of the incentives "off their own bat."

Views from the inside

Tim Dickson reports on the current position of some entrepreneurs featured on this page and how they view the Chancellor's measures



THE BEST news for the Chancellor comes from Sarum Farms (March 2), where Michael Dodson, the managing director, has already hired two extra employees following the fall in interest rates.



JOHN GARNETT of Linear Textiles (December 8), on the other hand thinks the Chancellor's measures are "pretty neutral."

"For a company our size (turnover £1m) I do not think any of the concessions will make much difference. The reduction in the National Insurance surcharge is welcome but it is not good for me."

Other encouragement for start ups in the Budget came with the increase from one to three years in the qualifying period for tax relief on pre-trading expenditure.



EDDIE KALFAYAN, of Letterstream (February 16) has put the company into voluntary liquidation. This specialist printing company which was fighting for a lifeline as the Inland Revenue—one of its biggest creditors—moved, in was effectively prevented from trading by the High Court.

Measures are also being introduced so that school leavers can obtain what are known as T14 certificates under the construction industry tax deduction scheme.

Loan guarantees: enterprise agencies: engineering scheme - by John Elliott

BETWEEN 12 and 15 small businesses backed by the Government's loan guarantee scheme have collapsed out of 2,741 provided with loans since the guarantees were launched in June last year.

The London, Birmingham and Leeds agencies do not expect to gain from the relief because they are constituted within chambers of commerce.

CAPITAL equipment such as power-driven cutting machines with sequence or numerical controls, machine tools, welding and metal-working machinery, and metrology equipment will all qualify for grants under the Small Engineering Firms Scheme announced as part of the budget's £130m "innovation package."

A management buy-out? Buying out a fellow shareholder? Seeking long-term capital for expansion? Gresham Trust Ltd.

THE COOKIE COACH COMPANY was originated in New York and subsequently acquired by an Australian Corporation. The launch in Sydney, Australia, has taken the United Kingdom by storm.

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FT COMMERCIAL LAW REPORTS

Hire not payable during off-hire period

TRADAX EXPORT SA v DORADA COMPAÑIA NAVIERA SA

Queen's Bench Division (Commercial Court): Mr Justice Bingham: March 4 1982

A CHARTERER who contracts to make punctual hire payments in instalments...

HIS LORDSHIP said that the charterparty was a charterparty for a time charter on the New York Produce Exchange form...

At 6pm that same day, the accounts department instructed the charterers' bank to transfer the sum to the owners' bank...

monthly hire instalment. The charterers' bank was not to be paid at all until the vessel was on the point of returning to service.

Clause 4 of the New York Produce Exchange form of charterparty provides: "The charterers shall pay for the use and hire of the said vessel..."

Late on the evening of July 17 the charterers by telex that the vessel was still in drydock and was expected to sail on July 21/22.

The question, inter alia, was whether hire was payable by the charterers on July 18, and if not, whether they were entitled to make payment with deduction for the off-hire period.

The charterers' construction accorded more closely with the language used. It was likely that the parties, when contracting, intended the owners to be secured by payment in advance for hire which they would or might earn.

RACING

HOLDING GROUND will not help the cause of England's most improved young hurdler, Broadsword, at Cheltenham today. It now seems probable that only Ekbalco can prevent Daring Run from giving Ireland her ninth Champion Hurdle success since the Second World War.

runner handicap run on ground officially described as heavy. Daring Run made light of only marginally better undertook conditions in racing to a six-lengths victory over Enhancer.

Mr Evans, for the owners, contended that the charterers' obligation was to make punctual payment of one month's instalment in advance, whether the vessel was on-hire or off-hire.

The decided cases did not approve, nor condemn, the practice of deduction. They did not deal with vessels which were off-hire on the due date for payment.

BBC 1

- 6.40-7.55 am Open University (UHF only). 9.35 For Schools. Colleges. 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45 Bod 2.00 You and Me 2.15-3.00 For Schools. Colleges. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Mighty Mouse. 4.25 Jackanory. 4.50 The Perils of Penelope Pitsootz. 5.00 John Craven's Newsround. 5.10 Break in the Sun. 5.40 News. 6.00 Regional News Magazines. 6.23 Nationwide. 6.55 Bugs Bunny cartoon. 7.05 Doctor Who starring Peter Davison. 7.30 A Question of Sport. 8.00 Emery presents "Legacy of Murder" starring Dick Emery. 8.25 Taxi: America's comedy hit, starring Judd Hirsch in "Elaine's Strange Trip" single. 9.00 News. 9.25 Play for Today: "Home Sweet Home" - a film by Mike Leigh. 10.55 Everyman: "At the Hour of Death." A report on a group of people who have had a close brush with death and affirm that there is life after death. 11.43 News Headlines. 11.45 In Conversation: Sue Lawley talks to Labour MP, Mr Leo Abse.

All IBA Regions as London except at the following times:

- ANGLIA 12.30 pm Gardening Time. 1.20 Anglia News. 3.45 Does The Team Think? 6.00 About Anglia. 7.00 Persborough Festival of Country Music. 11.30 The New Avengers. 12.35 am Today's Topix. 1.20 pm Border News. 3.45 Does The Team Think? 5.10 Radio. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. 11.30 Border News Summary. 12.30 pm Central News. 1.20 Central News. 3.45 Does The Team Think? 5.10 Radio. 6.00 Crossroads. 6.25 Central News. 7.00 Emmerdale Farm. 11.30 Central News. 11.40 Tuesday Jazz and Blues. 12.30 pm Channel News. 1.20 Channel Lunchtime News. What's On Where and Weather. 3.45 Square One. 5.20 Crossroads. 6.00 Channel Report. 6.30 (s) Stereophonic broadcast. RADIO 1 6.00 am As Radio 2. 7.00 Mike Read. 8.00 Simon Bates. 11.30 Olive Lee Travis. 2.00 pm Paul Burnett. 3.30 Andy Peebles. 5.00 Peter Powell. 7.00 Talkabout. 9.00 David Jensen. 10.00-12.00 John Peel (S). RADIO 2 6.00 am Ray Moore (S). 7.20 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gloria Hunniford (S). 2.00 On Derbyshire (S). 4.00 David Hamilton (S). 5.45 News: Sport. 8.00 John Dunn (S). 8.00 The Golden Age of Hollywood (S). 8.00 Listen to the Band (S). 12.30 The Gigant: Entertainment (S). 3.55 Sports Desk. 10.00 One Man's Variety. 11.00 Brian Matthew with Round Midnight. 1.00 am Trucker's Hour (S). 2.00-5.00 You and the Night and the Music (S). RADIO 3 6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Rameau (S). 10.00 Francis and Mozart concert (S). 10.50 A Frescobaldi Mass performed by the BBC Singers (S). 11.20 Takes-Hey Quartet (S). 12.05 pm Hallé Orchestra, part 1 (S). 1.00 News. 1.05 Six Continents. 1.25 Hallé Orchestra, part 2 (S). 2.05 Songs by Britten and Douglas Young (S). 2.45 The Mandelstam and Brahms String Quintets (S). 3.45 Autos Trio (S). 4.25 Jazz Today (S). RADIO 4 6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 6.55 Yesterday in Parliament. 8.57 Weather. 9.00 News. 9.05 Tuesday Call (Healthy Living). 10.00 News. 10.02 From our own correspondent. 10.30 Daily Service. 10.45 Morning 4.55 News. 5.00 Mainly for Pleasure (S). 7.00 Jean Rhys: Paul Bayley presents a portrait of the author. 7.40 Cesar Franck piano recital (S). 8.05 London Sinfonietta concert, part 1: Franz Schreker, Schoenberg (S). 9.00 My Own Province. 9.30 London Sinfonietta, part 2: Berg (S). 10.05 Songs by Britten, Schumann and Schubert (S). 11.00 News. 11.05-11.15 Salsal and Carrot play Beethoven. RADIO 5 6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 6.55 Yesterday in Parliament. 8.57 Weather. 9.00 News. 9.05 Tuesday Call (Healthy Living). 10.00 News. 10.02 From our own correspondent. 10.30 Daily Service. 10.45 Morning

TELEVISION

Chris Dunkley: Tonight's Choice No fewer than eight programmes deserve mention tonight, an unusually rich evening. In transmission order: Key Largo on BBC2 is a 1948 film, directed by John Huston, bringing Bogart and Bacall together to attempt a repeat of the triumph of "To Have and Have Not". It succeeds. On Radio 4 David Wheeler presents the first of two programmes on The Fall of the Shah which traces events in Iran and reactions in Washington during 1978 and 1979. Disappearing World on ITV shows the lives of the Ashanti tribe in Ghana. The family system is polygamous but Islamic and Central Market, used by up to 70,000 people a day, is dominated and run by women. BBC-1's "Play For Today" is Home Sweet Home, a film about three postmen and the way their private lives intertwine, "devised and directed" by Mike Leigh who made "Growth Up" and "Abigail's Party". Toni Basil on BBC2 is a repeat of the slickest pop video I have ever seen. Just Desserts on ITV is the second episode in a three-part Bogner serial. Derek Jacobi reads Gray's "Elegy Written in a Country Churchyard" on BBC2's "Poems in Their Place". Most interesting of all, perhaps, Everyman on BBC1 tries to settle the question of whether there is an afterlife by talking to those who have been very close to death.

BBC 2

- 6.40-7.55 am Open University. 11.00-11.25 Play School. 2.00 Racing from Cheltenham. 4.20 Caught in Time. 4.40 Soapweek. 5.10 Tanzania. 5.40 Laurel and Hardy in "The Waltons". 6.45 News Summary. 7.50 Huston directs Bogart in "Key Largo". 8.25 Russell Harty's Irish night out. 9.00 Pot Black SE. 9.25 One Man and His Dog. 10.10 Toni Basil. 10.25 Poems in their place. 10.45 Newsnight. 11.30 Racing from Cheltenham, highlights.

LONDON

- 9.35 am Schools Programme. 12.00 Button Moon. 12.10 pm Let's Pretend. 12.30 The South. 1.00 News, plus FT Index. 1.30 Thames News with Robin Houston. 1.38 Take the High Road. 2.00 After Noon Plus with Mavis Nicholson and Glyn Seaborn Jones. 2.45 The Sandbaggers. 3.45 Welcome Back, Kotter. 4.15 Dr Strangelove. 4.20 On Safari. 4.45 CB TV-Channel 1A. 5.15 Emmerdale Farm. 5.45 News. 6.00 Thames' News with Andrew Gardner and Rita Carter. 6.20 Help! with Viv Taylor Gee. 6.30 Crossroads. 6.35 Reporting London: the magazine programme that covers the big stories and issues in and around London today. 7.30 pm Max Bygraves-Side by Side with Acker Bilk. 8.00 The Glamour Girls. 8.30 Top of the World presented by Kenneth Anderson. 9.00 Disappearing World. 10.00 News. 10.30 Central America: Electedgency Appeal. 10.35 Just Desserts. 11.35 Kaz. 12.30 am Close: "Get Up and Listen" with Dr Anthony Swain. \* Indicates programme in black and white.

TVS

- 12.30 pm The Sunlight. 1.25 TV5 News. 3.45 Does The Team Think? 5.15 Radio. 5.30 Coast to Coast. 6.00 Coast to Coast (continued). 7.30 The Best World. 11.35 Vegas. 11.35 am Company.

TYNE TEES

- 9.25 am The Good World. 9.30 North East News. 1.20 pm North East News and Lookaround. 3.45 The Striders. 5.15 Survival. 6.00 North East News. 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdale Farm. 10.30 North East News. 11.35 The Two of Us. 12.05 am Free Church Congress.

ULSTER

- 1.20 pm Lunchtime. 3.45 Does The Team Think? 4.15 Ulster News. 5.15 Radio. 5.30 Good Evening Ulster. 7.00 Emmerdale Farm. 10.25 Ulster Weather. 11.35 News at 9pm.

YORKSHIRE

- 12.30 pm Calendar News. 3.45 Calendar. 5.15 Banquet. 6.00 Calendar (Emley Moor and Balmston editions). 7.00 Emmerdale Farm. 11.35 Burray Millar. Story. 11.00 News. 11.05 Thirty minute Theatre. 11.35 Wildlife. 12.00 News. 12.05 pm You and Yours. 12.27 Detective. 12.55 Weather, travel, programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Break House, by Charles Dickens (S). 4.00 Eborac: England. 4.15 Hummer's Ireland (S). 4.45 Story Time. 5.00 M.M. Magazine. 5.50 Shipping Forecast. 6.25 Weather, programme news. 6.30 News. 6.30 Barn of Bones (S). 7.00 News. 7.05 The Archers. 7.20 Medicine Now. 7.50 Animal Language (S). 8.20 The Fall of the Shah. 8.35 In Touch. 8.30 Kaleidoscope. 8.58 Weather. 10.00 The World Tonight. 10.30 Sem-circles with Paul Wilcox and David Wood. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

RADIO

- Trucker's Hour (S). 2.00-5.00 You and the Night and the Music (S). RADIO 3 6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Rameau (S). 10.00 Francis and Mozart concert (S). 10.50 A Frescobaldi Mass performed by the BBC Singers (S). 11.20 Takes-Hey Quartet (S). 12.05 pm Hallé Orchestra, part 1 (S). 1.00 News. 1.05 Six Continents. 1.25 Hallé Orchestra, part 2 (S). 2.05 Songs by Britten and Douglas Young (S). 2.45 The Mandelstam and Brahms String Quintets (S). 3.45 Autos Trio (S). 4.25 Jazz Today (S). RADIO 4 6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 6.55 Yesterday in Parliament. 8.57 Weather. 9.00 News. 9.05 Tuesday Call (Healthy Living). 10.00 News. 10.02 From our own correspondent. 10.30 Daily Service. 10.45 Morning



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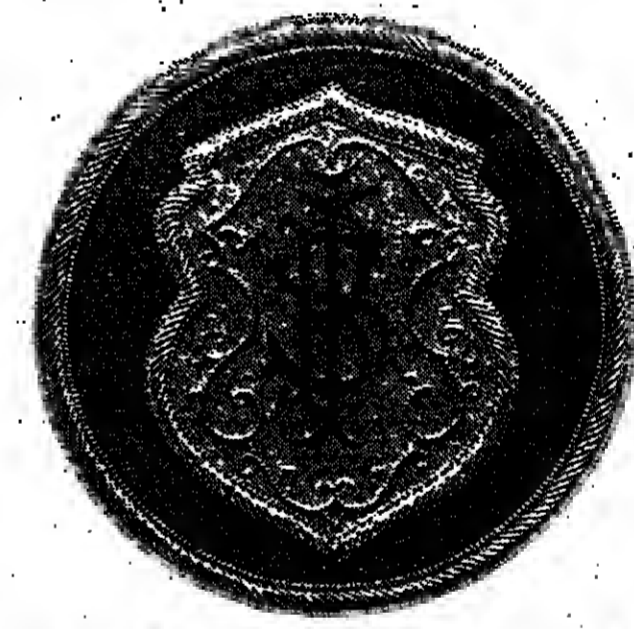
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Covent Garden La Bayadère by CLEMENT CRISP

When the Indian warrior, Solor, enters the Kingdom of the shades in La Bayadère...

Crucible, Sheffield Golden Boy by ROSALIND CARNE

America's Group Theatre of the 1930s brought together writers and actors, distributed by the reality of poverty and the shadow of fascism...



Two portraits of Violet, Duchess of Rutland by G. F. Watts, 1879

Bury Street A Victorian period piece by DAVID PIPER

Edith Wharton wrote of a party at Taplow Court, some time, I suppose in the 1890s...

Albert Hall Berlioz's Requiem

The Royal College of Music launched its centenary appeal on Sunday with the Grande Messe des Morts of Berlioz...

Covent Garden Eva Turner by RONALD CRICHTON

The week of Dame Eva Turner's 90th birthday came to a rousing climax on Sunday night at the Royal Opera...

Elizabeth Hall Andras Schiff by ANDREW CLEMENTS

Mr Schiff's penchant for lengthy recitals ensures that his audience gets plenty of music for its money...

'Good' to re-open the Aldwych

Michael White will present the Royal Shakespeare Company's production of C. P. Taylor's play Good at the Aldwych Theatre...

THEATRES

Grid of theatre listings including Covent Garden, Albert Hall, F.T. Crossword Puzzle No. 4823, and various regional theatres.

FINANCIAL TIMES

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Tuesday March 16 1982

The threat to world trade

THE RULES governing international trade are under threat. Governments of industrial countries are treating their commitments under the General Agreement on Tariffs and Trade (GATT) as irrelevant or unrealistic.

In these circumstances it is encouraging that the GATT itself and its director general, Mr Arthur Dunkel, are taking an increasingly outspoken and uncompromising line in defence of free trade.

Crisis of confidence

The MFA is sometimes seen as an unique but unavoidable exception from the rules. In recent years one sector after another has been subjected to special protectionist arrangements—the so-called self-restraint and orderly marketing agreements, which differ from the MFA in being bilateral and outside the rule of law.

Instead of considering national trade policy globally, by reference to simple rules of general application, governments are adopting a series of discrete sectoral trade policies which, being laboriously negotiated first between the government and each industry lobby, and then between the government and each exporting country, do not lend themselves to co-ordination.

The tendency towards bilateralism and sectoralism, in Mr Dunkel's view, is the greatest danger to order and prosperity in the world economy.

Foreign debt

Both bilateralism and sectoralism are implicit in the current drift of U.S. trade policy towards "reciprocity." Legislation is now being proposed in Washington which would give Congress the right to apply sanctions against particular products from a particular country if such a country was deemed to be raising trade restrictions against the U.S.

A further consequence of both tendencies is to upset the balance between the industrial and the financial side of the international economy. Countries with heavy foreign debt must be able to export if they are to service their debt without cutting back imports.

Domestic effects

Mr Dunkel is rightly scathing about suggestions that the GATT rules have become obsolete in the face of contemporary problems. "When people say that the rules of GATT have become ineffective, they are only saying that the rules are not being observed.

Agreed rules for international trade have far-reaching domestic effects. They are the element which secures the co-ordination and ultimate compatibility of purely domestic economic policies.

The central problem is not that governments see a conflict between the GATT system of law and the national interests of their countries, but that these countries are no longer willing to make the continuous adjustments which the system demands.

Equal place

The GATT system is not an abstract ideal, nor is it a fair-weather arrangement which can be dispensed with when times are bad. We believe that the re-establishment of the multilateral principle of free trade is a vital necessity if the soundness of the international economy is to be restored and if the developing countries are to feel that they have an equal place in that economy.

A GATT meeting of trade ministers is scheduled to take place in November. It will not be enough for these ministers to voice allegiance to GATT rules and then continue with the trends Mr Dunkel has discussed.

POLAND'S ECONOMY

The army's bleak legacy

By David Buchan and Christopher Bobinski in Warsaw

GENERAL Wojciech Jaruzelski has marched soldiers up to the top of the hill, and someday, somehow, he is going to have to march them down again.

General Jaruzelski's Poland today abounds in contradictions. Nearly 4,000 people are still held as political prisoners without trial. Yet some interests get weekend parole.

Part of the contradictions stems from the Jaruzelski Government's belief that some half-measures will now suffice because it has won half its battle.

The trade union issue is now a matter of raging debate, between conservatives and liberals, ideologists and pragmatists, and because its outcome affects the fate of Mr Lech Walesa it is of great concern to the 8m former members of Solidarity.

The prospect is very bleak. Hamstrung by mismanagement from the Gierek era, with huge foreign debts, and hit by western trade and credit sanctions, Poles face a drop in their standard of living for the fourth successive year.



Soviet leader Mr Leonid Brezhnev and Poland's General Wojciech Jaruzelski: for the moment, the military authorities' strategy is simple survival—the economy's and their own, for the two are wound up together

The one brighter spot in the dreary landscape is the mining sector: copper, sulphur, and particularly coal, the "oxygen" of the Polish economy as officials like to say.

Manufacturing industry, grown acutely dependent in the 1970s on imported machinery and components from the West, has been terribly hit.

The Gierek strategy had so neglected diversification of the domestic economy that, for instance, Poland's entire production of tractor and car fanbelts is now jeopardised by the loss of a mere \$50,000 worth of a rubber-hardening chemical from France.

such as 20 per cent, according to one study here. However, this assumes no import substitution nor any extra aid from the Soviet Union for instance.

In fact, the Jaruzelski Government has attempted, with mixed success, three things: to put the economy on a war-footing; to appeal to the Soviet Union for help; to split the western ranks on sanctions.

Fourteen "priority programmes" have been demarcated (basically food, some materials, such as oil, cotton, iron ore, metals and have extended credit.

By a January 1982 protocol, the Soviet Union had agreed to let Poland run a deficit equivalent to \$1.6bn with it this year, but with new agreements reached before, after and during General Jaruzelski's recent trip

to Moscow, it looks like being much larger. It is a generous offer, reflecting the Soviet priority of politics over economics, but it carries a price tag. As a director at the Warsaw Foreign Trade Ministry said: "It would be naive to believe that we could run big, long term deficits with our socialist partners."

The appeal to Moscow has not been answered in hard currency. Last year the Soviet Union lent Poland \$465m, but with its own growing currency needs, it evidently feels no inclination to repeat that this year.

Poland has not been entirely passive in waiting and hoping that western governments and banks will break ranks to do bilateral deals, either rescheduling debt or granting new credit.

It has bargained on the West's self-interest in giving Poland a financial breathing space, so that Poland can import more for its exporting industries.

So far Warsaw's blandishments have had minor effect. Austria, Finland, Greece and Turkey are now disposed to continue business virtually as usual.

The bottom line of all this for western governments and banks is that, without new credits, Poland will not be able to pay all the interest on even a rescheduled 1982 debt.

What makes many Polish officials so angry about the West's "economic blockade" is that they believe they are reshaping much of their economy in the West's image. They say there will be no return to the situation prevailing before.

martial law—not only politically, but economically.

Critics in Solidarity say the Government is being insincere about economic changes. But the words of Professor Zdzislaw Sadowski, a new deputy minister for economic reform—"Poland's economic problems are not just the result of policy blunders but a failure of the central planning system itself"—are not far from those once uttered by Mr Walesa—"there is little point in carrying out repairs. We might as well get a new machine."

The basic aim is to make Polish industry more market-oriented and efficient so that never again will it make astounding misuse of imported technology as it did in the 1970s. The basic means is, in Professor Sadowski's words, to reduce central planning to setting strategic goals—indicative planning as practised in Hungary and even France, rather than Soviet-styled direction.

Briefly, among other changes this involves reducing the number of industrial ministers in the central Government from nine to four and abolishing industrial sector associations to be used directly to supervise enterprises. The new supervisors will be the banks which used to be an entirely passive role of financial filling stations.

Opposition to the reforms, however, is considerable, coming not only from Communist Party conservatives who fear the political implications of economic pluralism, but also from central planning apparatus which now does out of their jobs. The relevance of the reforms is highly questionable in the current war economy. New flexibility on paper is meaningless if Polish managers who are rationed on supplies and currency. Nor is it clear how the new reforms will mesh in with the orthodox central planning system of the Soviet Union, towards which Poland is perforce drawing closer.

For the moment, the military authorities' strategy is simple survival—the economy's and their own, for the two are wound up together. Whatever happens on the political front, to Mr Walesa and Solidarity, it is negotiations with the church and so on, it is hard to see martial law being voluntarily lifted while the economy continues to sink.

In a caption yesterday Dr Tadyszko was described as NEC chairman. He is in fact the company's president. The chairman of NEC is Dr Koji Kobayashi.

The basic aim is... indicative planning as practised in Hungary and even France, rather than Soviet-styled direction

Men & Matters

Form of words

Oxford-educated Baroness Young has turned to Christie Maher, a Liverpudlian who could not read or write until she was 17, to help in her attempt to rid the Government's official forms of unintelligible Whitehall gobbledegook.

The exuberant Maher is co-founder (with Martin Curtis) of the Salford-based Plain English Campaign, which has been given a two-year contract by the Chancellor of the Duchy of Lancaster to advise on simplifying and improving the forms which civil servants have spent years in rendering obscure.

She will help in training courses in the preparation of forms, advise on design, and develop ways of testing forms before they are issued to the public.

Maher's interest in communication sprang from her own childhood difficulties. Though illiterate—"I seldom went to school"—she got a job in an insurance office through sheer nerve and personality and rapidly repaired her broken education.

She has worked since as a design consultant and freelance journalist. But what began as part-time social work has gradually taken over as her main occupation.

With a grant of £20,000 from Littlewood's John Moores, she started a community print shop in Liverpool, went on to publish a local newspaper (which Curtis edited) for people who had difficulty reading, and founded PEC three years ago.

record industry. It was not until Page 16 of the tome that it became clear that Ireland had no classical record industry. No Irish joke intended, I fear.

Miracle builder

Rome wasn't built in a day, or even a day and a half as architect Gerald Murphy will tell you.

For Murphy will be racing against the clock to convert Wembley stadium into an open-air cathedral for the Pope and 82,000 people when he visits London in May. And he will have only 36 hours in which to do it.

Murphy, himself a Roman Catholic who has designed church buildings in the past, is to create a 44-ton podium from which the Pope will celebrate mass. The problems of providing the best view for the congregation and protecting the Pope from Britain's habitual drizzle are all easy meat for Murphy.

But his main difficulty stems from the fact that the Pope's visit comes uncomfortably close to Wembley's other great event of the year exactly a week earlier.

"Because of the FA Cup Final on the Saturday before, and the possibility that there might be a replay on the following Thursday," Murphy explains, "we can't get access to the stadium until late on Thursday night. This gives us just 36 hours—24 of which will be in darkness—to transform the stadium."

I would not be surprised if Murphy speeds much time between now and May praying for a Papal miracle.

Camel coming

County Hall, increasingly regarded as one of London's

more expensive local government white elephants, will be visited by a camel today.

The camel will be carrying a petition signed by thousands of Londoners calling on the Government to review the cost of the GLC and Inner London Education Authority and put an end to waste and duplication in the capital's local government.

Porter says a camel is a very apt symbol of the situation faced by London ratepayers who have carried, without option, the burden of GLC spending in the hope that the camel master would show some intelligent respect for how much they can bear. But the latest GLC demand, representing an 86 per cent increase for Westminster ratepayers alone, "could well be the straw that breaks the camel's back," she says.

Presumably the camel will have to be of the double-humped variety—one for the GLC, average rate up 94 per cent for 1982-83, and one for the ILEA, its charge on ratepayers rising 13 per cent to 71p.

The GLC and ILEA have a combined total budget of about £2bn—more than the gross national product of many a country whence the camels come.

Sad story

Reuter, 08.06 hrs, Tokyo: Japanese wholesale price index rose 0.5 per cent in February, Bank of Japan said.

Observer

Financial Times sponsors VIDEO INDUSTRY AWARD

The Financial Times Video Industry Award will be presented to the company that has demonstrated in the past year the "most notable commercial success or innovative achievement in the video business and has furthered or enhanced video as a viable medium. The award in this first year, is confined to UK registered companies. Nominations will be made by a judging panel and the winning company will be announced during International Video Week at the National Film Theatre, 24th-28th May, 1982.

Another major feature of the week is the International Video Festival of industrial, educational, social and community video programmes. The Festival organised by the British Industrial and Scientific Film Association has nine separate category awards open to entries from all OECD countries.

Entry forms are available now from Meridian Conferences, 133 Rosendale Road, Dulwich, London SE21. Telephone: 01-670 5400.







Companies and Markets

UK COMPANY NEWS

W. Canning makes £0.9m after second-half pick-up

AFTER A depressed first half, W. Canning, the Birmingham-based chemicals metals and electronics group, showed an improvement in the second half...

The pre-tax profit for 1981 is reduced to £240,000 on a current cost basis and attributable losses are heavier at £783,000.

comment

Canning's year had got off to a slow start even before an explosion in its silver refinery rocked the group back on its heels.

Link House expands in first half

A RISE in pre-tax results was shown by Link House Publications, publisher for the six months to December 1981. Profits rose from £2.2m to £2.67m on turnover £1.2m higher at £11.9m.

comment

The 20 per cent mid-way advance at Link House Publications hides the extent to which the recession is biting into group activities.

Granada's VCR rentals surge

THIS YEAR will be difficult for the Granada Group, the chairman Mr Alex Bernstein, told the annual meeting.

Television advertising was buoyant, and although heavy costs were needed in helping to finance the Fourth Channel, Granada Television was doing better than expected.

VW on target with £619,000

IN LINE with forecast, profits of VW, sheet metal fabricating, precision engineering concern, amounted to £619,279 for 1981, against £501,228, and directors are paying a 2p dividend per 25p share.

Cement-Roadstone rises 6%

SECOND half pre-tax profits of Dublin-based Cement-Roadstone Holdings moved ahead from £11.7m to £12.6m and pushed the figure for the whole of 1981 to £26.6m, compared with £25.2m, a rise of 6 per cent.

price competition combined with slightly lower overall sales volumes.

comment

Cement Roadstone maintained its home sales of cement in a weak market because its rising production is able to displace imports.

Cost reduction aids Victor Products

THE COST reduction programme at Victor Products (Wallend) has enabled the deterioration in margins to be arrested.

Carlton £4m lower at year end

SECOND-HALF 1981 profits of Carlton Industries were down from £5.2m to £3.5m leaving full year figures lower at £8.07m, compared with £12.24m.

Profits from batteries dropped from £9.07m to £6.74m on sales of £72.2m (£74.85m). Whisky sales were down at £20.78m (£24.64m) while profits fell back to £4.86m (£5.51m).

attributable level, profits emerged down from £9.88m (£12.74m) after charging tax minorities of £908,000 (£1,000,000) and extraordinary debits of £17,000 (£487,000).

Companies reminded to re-register

THE PERIOD within which 'old public companies' must apply for re-registration as either 'private limited companies' or 'public limited companies' comes to an end on March 21.

George Armitage runs into losses

LOSSES IN the second half of 1981 at George Armitage and Sons have left the company with a full year pre-tax deficit of £133,000, against profits of £504,000 previously.

being cut by 50 per cent from 5p to 2.5p net. The board says the prospects for the industry in 1982 show no sign of improvement.

extraordinary items, was 31.5p (11.16p earnings).

Yeoman Investment Trust P.L.C.

Table with 3 columns: Results for the year ended 31st December 1981, 1981, 1980. Rows include Revenue before taxation, Taxation, Revenue after taxation, Earnings per Share, Ordinary dividend per Share, Net asset value per Share.

The new rate of dividend represents an increase of 6.0 per cent, to a level which we intend at least to maintain.

We hope that, even if the recovery from the present U.K. recession is slow, the stock market will continue to make progress.

Table with 4 columns: Twenty-five largest holdings, Company, Market Value £, Company, Market Value £. Lists various companies like Shell Transport and Trading, Hanson Trust P.L.C., British Petroleum Company P.L.C., etc.

Midland House Mortgage Rate

Midland Bank announces that, with effect from Tuesday 16th March 1982 its House Mortgage Rate has been reduced by 1 1/4% to 13 3/4% per annum. APR 14.5%.

Midland Bank plc 27 Poultry, London EC2P 2BX

This year the Zentralsparkasse is celebrating its 75th anniversary - 75 years of serving business and private customers. To mark the occasion of the 75th anniversary, the Zentralsparkasse will be holding an international symposium:

Speakers: DR. BRUNO KRESKY, Federal Chancellor, Republic of Austria; PROF. MARGARITA MAKSIMOVA, Head of Department, Institute of World Economy and International Relations, Moscow; ROBERT D. HORMATS, U.S. Assistant Secretary of State for Economic Affairs, Washington; PROF. IRVING KRISTOL, Editor of 'The Public Interest', Wall Street Journal Columnist, Professor of Urban Values, New York; PROF. LESTER C. THURLOW, Professor of Management and Economics, Massachusetts Institute of Technology, Boston; KASPAR V. CASSANI, President, IBM Europe, Paris; ALEXANDER F. FESENKO, Director, Research Institute for Economic and Technical Relations, Moscow; ARON K. BASAK, Special Adviser to the Executive Director, UNIDO, Vienna; DR. SAMUEL PISAR, International Lawyer, Paris/New York; DR. IBRAHIM F. L. SHIHATA, Director-General, Opec Fund for International Development, Vienna; JEAN-JAQUES SERVAN-SCHREIBER, President, 'Centre mondial pour l'informatique et les ressources humaines', Paris; ROBERT O. CAMPOS, Brazilian Ambassador, London; PROF. ARTHUR B. LAPPER, Professor of Business Economics, University of Southern California, Los Angeles.

ISSUES OF THE EIGHTIES

Economic and Social Strategy Options March 18-19, 1982 Vienna Hofburg. Welcoming Address: LEOPOLD CRATZ, Mayor of the City of Vienna, Chairman of the Board of Supervisors, Zentralsparkasse und Kommerzbank, Wien. Opening Address: DR. RUDOLF KIRCHSCHLAGER, Federal President, Republic of Austria.

We've invented the best way to find new products. New products are vital for any manufacturing company's survival. But finding new products can be a problem. Which is why forming Frank and Ockrent was such a good idea. We invent new products to order, matching them to your existing manufacturing and marketing capabilities. If you want to hear about the best way to generate new product ideas, ring Gary Curshen or Peter Frank on (01) 580 7636. Frank & Ockrent Limited Product Innovation 7 Berners Mews London W1P 3DG

Union Industrielle et d'Entreprise (UIE) employees and management are proud to announce their success in obtaining the contract for the fabrication of the Tyra Central Process Platform Jacket (TCP-A) from Dansk Borselskab A/S (Danbor), Operator for the Dansk Undergrunds Consortium with partners A.P. MOLLER, SHELL, CHEVRON and TEXACO. This jacket is part of the Danish Gas Development Project and will be the central point for gathering and processing offshore gas production in the Danish sector of the North Sea for delivery into the national Danish gas distribution network currently under construction. In recognition of the major importance of this structure, UIE places its reputation for on-time delivery behind its commitment to DANBOR and DENMARK to deliver on time on 15th January 1983. UIE 32, avenue Hoche 75008 Paris France A company of THE AMREP GROUP

ZENTRALSPARKASSE UND KOMMERZIALBANK-WIEN 75th anniversary. Head office: A-1030 Vienna, Vorderer Zollamtstrasse 13, Telephone 72 92 0, Telex 13 3167. Please send me the booklet on the 'Issues of the Eighties' Symposium as soon as it becomes available. Name: Address: ZENTRALSPARKASSE UND KOMMERZIALBANK, Postsozialbank, Vorderer Zollamtstr. 13, A-1030 Vienna, Austria.

COMPANY NOTICES

GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE
9.75% 1975/1983
LOAN OF U.S. \$15,000,000
We inform the bondholders that the redemption instalment due April 10, 1982, has been postponed...

GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE
9.25% 1976/1983
LOAN OF U.S. \$25,000,000
We inform the bondholders that the redemption instalment of \$15,500,000 nominal due on April 15, 1982, has been postponed...

CANON INC.
Notice is hereby given that the 141st Annual Meeting of the Association of Shareholders of the Company will be held at 3.00 p.m. on Tuesday, 30th March, 1982...

PROVIDENT MUTUAL LIFE ASSURANCE ASSOCIATION
NOTICE IS HEREBY GIVEN THAT THE 141st Annual Meeting of the Association will be held at 3.00 p.m. on Tuesday, 30th March, 1982...

FORAY INDUSTRIES, INC.
74% U.S. GUARANTEED NOTES
1984
S. G. WARBURG & CO. LTD.
Notice is hereby given that the redemption instalment of \$15,500,000 nominal due on April 15, 1982, has been postponed...

AKTIEBOLAGET SVENSK EXPORTKREDIT
U.S. 9 1/4% NOTES 1988
S. G. WARBURG & CO. LTD.
Notice is hereby given that the redemption instalment of \$15,500,000 nominal due on April 15, 1982, has been postponed...

STANDARD BANK IMPORT & EXPORT FINANCE COMPANY LIMITED
GUARANTEED FLOATING RATE NOTES
Due 1985
Convertible at the option of the Noteholder into £100,000 Guaranteed Floating Rate Bonds due 1985...

CONVERSATIONAL JAZZMAN
German Pianist for Business Events
15 year experience at St. Giles College, Winchester, Telephone Ann. Pr. 01-520-5207.

CRANE KALMAN GALLERY
178, Brunton Rd., SW2, London SW2 2LW
Specialising in 19th & 20th Century British and Continental Art.

MATHIAS GALLERY
32, Abchurch Lane, London EC4N 3DF
Specialising in 19th & 20th Century British and Continental Art.

THE PARSONS GALLERY
1, Abchurch Lane, London EC4N 3DF
Specialising in 19th & 20th Century British and Continental Art.

ROSEMOND INVESTMENT TRUST
Pre-tax profits for year to January 31, 1982, £98,719 (£12,457) after £86,262 (£10,000) for £20,000 (£2,457) net dividend £20,000 (£2,457) leaving £68,262 (£8,543) for total of £8.5p (same).

UK COMPANY NEWS

TDG profits fall £6m but dividend maintained

WITH MOST of the fall coming in the first half, down from £12.2m to £7.0m at the pre-tax level, profits of Transport Development Group finished 1981 at £5.17m, compared with £11.57m previously. The dividend is maintained however, at 2.5p net per 25p share, with a same-again final payment of 2.5p.

Turnover for 1981 expanded by £12m from £263.5m to £275.6m and operating profits of £8.37m (£23.95m), were split by function as to road haulage £6.5m (£10.33m); storage £1.87m (£9.51m); plant hire, other transport services £0.01m (£1.88m); reorganisation £2.00m (£27.40m) (£1.22m). By area the profit figure comprised: UK £11.98m (£18.8m); Europe \$4.9m (\$4.18m); Australia \$1.5m (£1.2m); North America \$665,000 (£3,300,000).

Benefits come through for Yarrow at midway

ACTIONS TAKEN in the previous year at Yarrow have had a beneficial effect which has been reflected in the half-year results. For the six months to December 31, 1981 turnover of this engineering, electronic systems, consultancy group expanded from £7.58m to £10.13m and there was a £851,000 turnaround to a net profit of £270,000 (£1.2m).

The future strategy of the group remains unchanged. It has a strong balance sheet and is well placed to take advantage of any upturn in economic conditions. Mr Eric Yarrow, chairman, states: "The interim dividend is unchanged at 2.5p net per 25p share - last year's final was 5.6p paid from pre-tax profits of £53,000."

The reorganisation within Control Systems has been largely completed and new products are being introduced. Automatic Revenue Controls is still a relatively small company, but its expansion, but there is considerable scope for expansion as it has made a modest contribution to group profits.

RESULTS AND ACCOUNTS IN BRIEF
EWART NEW NORTHERN (property developer) - net asset value per share October 31, 1981, £1,708 (£1,400) after tax £1,943 (£1,574). Earnings £1.1p (1980 £1.2p) net dividend 1.0p (same). Profit affected by a reduction in the rates of acquisition, which with expenditure on the sale of non-core property, has resulted in higher profits to be earned for the second half. Board believes major increases in profits will only come from development of existing or new property.

ENGLISH & NEW YORK TRUST
Results for 1981 reported February 5. Valuation of investments £54.65m (£50.1m) net current liabilities £355,978 (£350,285). Shareholders' funds £52,74m (£49.2m). Meeting, 20 Fenchurch Street, EC, April 8, 2.30 pm.

Table with columns: Series, Vol., May, Last, Vol., Aug., Last, Nov., Last, Stock. Lists various financial series and their values.

Table with columns: Company, Vol., May, Last, Vol., Aug., Last, Nov., Last, Stock. Lists companies like ANZO, KLM, etc. and their financial data.

Table with columns: Company, Vol., May, Last, Vol., Aug., Last, Nov., Last, Stock. Lists companies like MANN, UNIL, etc. and their financial data.

AKTIEBOLAGET SVENSK EXPORTKREDIT
U.S. 7 1/2% Notes 1983
S. G. WARBURG & CO. LTD.
Notice is hereby given that the redemption instalment of \$15,500,000 nominal due on April 15, 1982, has been postponed...

TELEFONAKTIEBOLAGET L M ERICSSON
8 1/4% BONDS 1980
S. G. WARBURG & CO. LTD.
Notice is hereby given that the redemption instalment of \$15,500,000 nominal due on April 15, 1982, has been postponed...

INTERNATIONAL & BRITISH EDITORIAL & ADVERTISEMENT OFFICES
London: 25 South Molton St., Tel: 234 1452.
New York: 110 W. 47th St., Tel: 212 512 2000.

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ARTOC BANK AND TRUST LIMITED
Established 1977
Head Office Charlotte House Charlotte Street P.O. Box N8319 Nassau Bahamas Tel: (809) 32-51133

Consolidated Balance Sheet at 31 December 1981
ASSETS 1981 1980
Cash and Due from Banks 81,225,217 69,465,734
Investments 3,217,725 345,547
Loans and Advances 133,798,445 92,823,464
Other Assets 7,296,199 14,776,128
Total 225,537,586 177,410,873

Link House Publications Public Limited Company
Interim Report for the Six Months to December 31, 1981
Unaudited Group Results
Turnover 12,994 11,796 25,151
Trading Profit 2,350 1,957 4,455
Investment Income 321 279 543
Exceptional Costs (note 1) - (39) (438)

Financial Times Tuesday March 16 1982
Companies and Markets BIDS AND DEALS

Bunzl in double agreement with American Filtrona

IN A double agreement with American Filtrona Corporation, Bunzl has sold its 49 per cent interest in Bunzl Pulp and Paper Canada to Filtrona and bought out Filtrona's 49 per cent minority in Filtrona Brasileira Industria e Comercio do Brazil.

Mr Ernest Baston, chairman of Bunzl, said yesterday that Bunzl's earnings would be increased by approximately £300,000 in a full year as a result of the agreement.

ready have a business with a turnover of more than £7m a year. In that country Bunzl is a leader in the manufacture of quality plastic bottles and tubes for the cosmetics industry.

Panel to meet again on ACC share purchase

A formal session of the Takeover Panel, specially convened to examine the purchase of a block of 925,000 non-voting "A" shares in Associated Communications Corporation, at the centre of a takeover battle between Heron Corporation and business interests of Mr Robert Holmes a Court, was adjourned yesterday.

Lord Forte defends Savoy investment

Lord Forte, chairman of Trusthouse Forte, called on shareholders at the annual general meeting yesterday to be patient about the group's 23.6m investment in the Savoy Hotel group.

Callard & Bowser sold

BREWER Arthur Guinness and Sons has sold its marketing and distribution subsidiary Callard & Bowser Nutton to Chicago-based Beatrice Foods Company for £4m cash.

NCC Energy plan delayed

NCC Energy, the UK investment company controlled by Mr Graham Ferguson Lacey, now intends to delay its plan to achieve a "combination" between itself and Simplicity Patterns, the U.S. paper patterns company.

Sketchley reaffirms Means offer

Sketchley, Britain's biggest dry cleaning group, reaffirmed yesterday that its offer worth \$40.6m for Means Services, a Chicago-based linen and garment hire, "still remains in force."

Profits shrink at Atlas Cons.

ONE of the world's leading copper producers, Atlas Consolidated Mining and Smelting in the Philippines, saw earnings slump last year despite increased output of copper, gold and silver.

MINING NEWS

Falconbridge's rich copper ore

BY KENNETH MARSTON, MINING EDITOR

FIRST OFFICIAL news of Falconbridge Copper's Ansil find in north-west Quebec confirms many hopes, reports John Sogahian from Toronto.

reckoned to be in the region of C\$50m (E22.5m). Falconbridge Nickel, which holds 50.2 per cent of Falconbridge Copper, expects nickel demand and prices to remain weak at least until the second half of this year.

BASE LENDING RATES

Table listing various bank lending rates including A.B.N. Bank, Allied Irish Bank, American Express Bank, Amro Bank, etc.

Prudential holds 5.14% of Fleet Hldgs.

Prudential Corporation, the insurance group, emerged yesterday as a substantial shareholder in Fleet Holdings, the newly formed spin-off of the Travel House newspaper and publishing interests.

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SANLAM STAKE IN GKN SOUTH AFRICA

SANLAM, the South African insurance and financial services group, has acquired a 25 per cent interest in GKN, Keen and Nettleton's local subsidiary through an issue of shares worth R10.5m (E5.7m).

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Israel's rising emerald trade

ISRAELI NOW accounts for 50 per cent of the world production of polished emeralds, with the emphasis on high class African stones, reports our Tel Aviv correspondent.

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Victor

Victor Products (Wallsend) p.l.c. Summary of results (unaudited) for the six months ended 31st October, 1981

Table showing summary of results for Victor Products, including turnover, profit before tax, and retained profit.

NOTES: 1. Corporation tax is provided for the six months ended 31st October 1981 based on the estimated effective rate for the full year.

Notice of Redemption

Copenhagen Telephone Company, Inc.

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of April 15, 1970 under which the above described Debentures were issued, \$606,000 principal amount of the said Debentures have been called for redemption through operation of the Sinking Fund on April 15, 1982, the date fixed for redemption at the redemption price of 100% of the principal amount thereof plus accrued interest to the date fixed for redemption, as follows:

Viking Resources International N.V. Curacao, Netherlands Antilles. Notice of Annual General Meeting of Shareholders.

Continued Expansion by Barratt

INTERIM STATEMENT The half year ended 31st December, 1981, saw the Barratt Group make further progress and the Group is able once again to report record sales and profit. The following are the unaudited results of the Group:

THE TRING HALL USM INDEX 117.9 (+1.2) Close of business 15/3/82 BASE DATE 10/11/80 100 Tel: 01-638 1591

LADBROKE INDEX (Close 564.689 (+2))

APPOINTMENTS

Five chief executives for BTR

BTR INDUSTRIES has appointed five group chief executives. Each will be responsible for the activities of a number of companies...

Mr. Ron Page, head of the commercial department of the BRITISH ELECTRICAL AND ALLIED MANUFACTURERS' ASSOCIATION (BEAMA)...

ROYAL LONDON MUTUAL INSURANCE SOCIETY has appointed Mr. W. H. Forsey as deputy chairman...

STANDARD LIFE ASSURANCE COMPANY, Edinburgh, has made the following appointments from April 16...

CURRENCIES, MONEY and GOLD

Dollar steady

The dollar was steady in currency markets yesterday with trading rather dull and featureless...

The French franc was the weakest member of the European Monetary System yesterday and the Bank of France gave support during the day...

STERLING—Trade weighted index (Bank of England) 111.6 against 111.7 on Friday...

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Rows include U.S., Canada, Belgium, Denmark, etc.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % Three months, % Six months. Rows include U.S., Canada, Belgium, Denmark, etc.

CURRENCY MOVEMENTS

Table with columns: Mar. 15, Bank of England, Mergan, % change, % divergence. Rows include Sterling, U.S. dollar, Canadian dollar, etc.

OTHER CURRENCIES

Table with columns: Mar. 15, \$, % change, % divergence. Rows include Argentina, Australia, Brazil, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, % change, % divergence. Rows include Belgium, Danish, German, etc.

EXCHANGE CROSS RATES

Table with columns: Mar. 15, Pound Sterling, U.S. dollar, etc. Rows include Pound Sterling, Deutschemark, etc.

FT LONDON INTERBANK FIXING (11.00 a.m. MARCH 15)

Table with columns: 0 months U.S. dollars, 6 months U.S. dollars. Rows include bid 14 7/8, offer 10, etc.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: Mar. 15, Short term, Month, Three months, Six months, One year. Rows include Sterling, U.S. dollar, etc.

MONEY MARKETS

London clearing bank base lending rate 13 per cent (since March 12). The London money market reacted nervously to the larger than expected rise in last week's U.S. money supply figures...

GOLD

Gold fell \$104 an ounce from Friday's close to finish at \$313.314 in the London bullion market yesterday. This was its worst closing level since late August 1979...

LONDON MONEY RATES

Table with columns: Mar. 15, Overnight, 7 days notice, 14 days notice, etc. Rows include Sterling, U.S. dollar, etc.

MONEY RATES

Table with columns: Mar. 15, Prime rate, Treasury bills, etc. Rows include New York, Germany, Japan, etc.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

Table listing various offshore and overseas funds with columns for fund name, manager, and other details.

Table listing various unit trusts with columns for fund name, manager, and other details.

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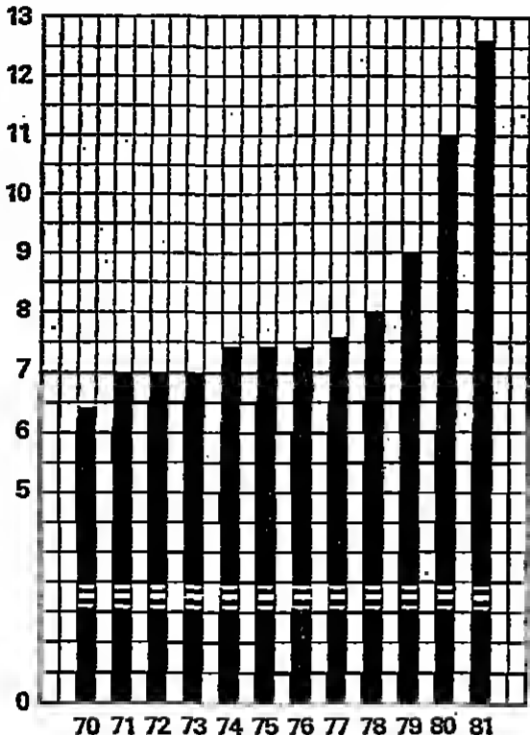
Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

**ROBECO**  
**GOOD PERFORMANCE IN RECESSIONARY YEAR**

- \* Net profit up from £47.8 million in 1980 to £53.3 million in 1981.
- \* Proposed cash dividend for 1981 at Fls. 12.60 per share (1980: Fls. 11) is fifth successive increase.
- \* London share price up 13½ per cent. in 1981.
- \* Total 1981 result in sterling on a Robeco investment 18½ per cent.
- \* Total net assets of £962 million at end 1981 were invested as follows: U.S.A. 39%, Japan 12%, Netherlands (incl. internationals) 18%, Australia 4%, other countries 17%, other assets 10%.

Development of the cash dividend in florins



**ROBECO**  
50 years of experience  
Annual Report available from  
ROBECO  
Dept. 858, P.O. Box 973, Rotterdam, Holland.

**Strong growth in sales and profits shown by Ericsson**

BY WILLIAM DULLFORS, NORDIC EDITOR, IN STOCKHOLM

L.M. ERICSSON, the Swedish telecommunications group, lifted its pre-tax earnings last year by 25 per cent to SKr 1,170m (\$200m) while sales advanced by 33 per cent to SKr 16,200m (\$2,800m). Slightly more than three-quarters of the increase in sales came from newly acquired companies.

The board proposes to raise the dividend by SKr 1.25 to SKr 9.75, making a total payment of SKr 212m against SKr 185m for 1980. It is also recommending a one-for-two scrip issues with the new shares entitled to dividends from 1982.

Group operating profit after depreciation climbed by 83 per cent to SKr 2,200m last year but net financial charges leapt from SKr 186m to SKr 316m. This deterioration is attributed to the rise in interest rates, the devaluation of the krona in September and to the appreciation of the dollar.

Moreover, companies bought during the year, which included Datasab, the Swedish computer and terminals manufacturer, had substantial net financial expenses. These acquisitions are part of Ericsson's thrust into office communications and now form part of Ericsson Information Systems.

Capital spending for the year increased by SKr 557m to SKr 1,027m.

A net profit of SKr 429m is shown for 1981 against SKr 215m for the previous year. Net adjusted earnings came out at SKr 25.10 a share compared with SKr 20.35.

Orders received by the group during 1981 amounted to SKr 1,200m compared with SKr 1,800m in the previous year, leaving Ericsson with an order book at the end of 1981 of SKr 11,700m, up by SKr 5,700m.

SETTING UP a new subsidiary should in theory, provoke little enough head-scratching at Petrofina, for the powerful Belgian oil company already has 200 such companies scattered through 25 countries around the world. Yet it is a problem that is now preoccupying and baffling Petrofina's senior management.

As one of Belgium's dwindling band of profitable major industrial groups, Petrofina has recently given an undertaking to the country's new Centre-Right coalition Government that it will invest in one, or perhaps several, job-creating activities in order to help combat soaring Belgian unemployment which currently approaches 11 per cent.

It is a pledge that is of political importance to the Government, which is facing growing social unrest as a result of its tough economic measures. But the snag is that Petrofina is having some difficulty in deciding how to set about creating a viable company that will at the same time provide maximum employment. To complicate matters, it is also likely that it will have to create two companies, in order to establish one in both the Flemish and Walloon rival halves of the country.

The fundamental problem, however, is that the sort of job-creating concern envisaged runs directly counter to all of Petrofina's best instincts. The Belgian multinational likes to draw attention to its own capital-intensive character and to its streamlined payrolls. Petrofina's boast is that it has much the same size of turnover as Italy's Montedison — for 1981 the Belgian group's sales rose by 11.4 per cent to Bfr 369bn (\$8,880m) — but employs only 22,000 people against Montedison's 153,000.

In matters of job creation, Petrofina executives are clearly beginning to ponder the fact that Montedison could teach them something.

The ideas now being mulled over range from fish farming to retirement homes. But although the job creating promise to the government is proving a puzzle, it is far from being the real problem facing Petrofina. At the moment the group is sitting on a mountain of cash which it intends, eventually, to transform into industrial assets.

Petrofina's sale of its 42 per cent stake in Petrofina Canada to the Canadian state's Petro-Canada will, realise, between Bfr 30bn and Bfr 40bn, and so far attempts to reinvest some of this cash in the U.S. have failed. Even before the Canadian deal a year ago, Petrofina was being described by Belgian analysts as having "huge cash resources."

After the abandonment of plans to invest Bfr 4.5bn in the Kentucky and Virginia coalmining operations of American Natural Resources, and the scrapping of a subsequent deal with Placid Oil in the U.S., Petrofina is once again casting around for major new ventures.

Coal is still uppermost on the list, for Petrofina has already

**Acquisitions headache for cash heavy Petrofina**

BY GILES MERRITT IN BRUSSELS

set-up an EEC coal marketing company with Krupp of West Germany, spent £3.5m (\$6.5m) on a stake in the UK-based Energy Equipment, a coal technology concern, and has bought into Hercock Simpson, which specialises in coal carrying and marketing. Other areas where Petrofina is understood to be searching include the non-ferrous metals industry, off-shore services and general contracting.

Petrofina's determination to widen its activities is no novelty in the oil and petrochemicals sector. But it does reflect the Belgian group's concern over the now declining profits to be won from its substantial operations in the Ekofisk field. Worth about Bfr 112.5bn, its share in Ekofisk will provide profits for the rest of the century, but at a dwindling rate as production drops. This year, Petrofina will spend 60 per cent of its self-financed Bfr 28m investment programme on exploration and production activities.

Petrofina's oil and gas exploration now is considerably more aggressive than in the past, centred on Zaïre and North Africa and even including southern Belgium. And with the development of new fields in the UK sector of the North Sea it is expected to raise its present production of 9m tons of oil a year.

That, together with the selection of some obviously attractive projects for its diversification programme, might help to solve Petrofina's other enduring problem — its stubbornly lacklustre share price.

After the abandonment of plans to invest Bfr 4.5bn in the Kentucky and Virginia coalmining operations of American Natural Resources, and the scrapping of a subsequent deal with Placid Oil in the U.S., Petrofina is once again casting around for major new ventures.

Coal is still uppermost on the list, for Petrofina has already

**Bilfinger und Berger hit by tough competition**

BY KEVIN DONE IN FRANKFURT

BILFINGER UND BERGER, the third largest construction group in West Germany, boosted the volume of building operations by 53 per cent last year to DM 3.7bn (\$1,560m) supported by the dramatic surge in foreign orders booked in 1980.

Foreign building activity jumped by 9.3 per cent to DM 2,580m, while domestic operations virtually stagnated at DM 1,160m, an improvement of 4 per cent.

Foreign construction work accounted for 69 per cent of Bilfinger und Berger's building volume last year. In comparison with other leading German building groups, such as Philipp Holzmann, Bilfinger is also expanding its interests in the U.S. market.

It has increased its holding to the St Louis-based Fru-Con Corporation, which had a turnover last year of DM 882m, to 87 per cent from the 50 per cent acquired in 1978.

New orders booked last year by the West German group dropped by 26 per cent to DM 4.3bn from the record DM 5.8bn reached in 1980.

Domestic orders showed a modest rise to DM 1.2bn from DM 1.1bn in 1980, despite the fall of 19 per cent in new domestic building orders won by the depressed German building industry overall.

Foreign orders dropped to DM 3.1bn from the DM4.7bn booked in 1980, but the value of Bilfinger and Berger's order book stood at DM 6.6bn at the end of December, compared with DM 6.1bn a year earlier. Of orders on hand, DM 5.7bn are accounted for by foreign work, with only DM 950m coming from the domestic market.

Fierce competition in both domestic and foreign markets has bitten deeply into the profit margins of new orders, but the company said that profitability last year was "good." No details have yet been released.

**Norway delays bourse plan**

By Fay Gjester in Oslo

A LONG-AWAITED Norwegian Government scheme to grant tax concession to investors in Norway's stock market has been held back for "further evaluation," a Finance Ministry official said yesterday. The Government had been expected to introduce the scheme last Friday.

The recent steep fall in oil prices, together with steadily rising investment costs offshore, has drastically reduced the amount the Government expects to receive from petroleum tax revenues over the next few years.

**KemaNobel holds payout despite fall in earnings**

BY OUR NORDIC EDITOR IN STOCKHOLM

KEMANOBEL, the Swedish chemicals group, saw earnings tumble from SKr 164m to SKr 49m (\$8.5m) in 1981. This is the second year running that the pre-tax profit has fallen in 1979 it totalled SKr 213m.

Sales declined marginally to SKr 3.3bn but that represents an increase of 5 per cent after adjusting for companies sold and bought, the company says. Foreign sales increased slightly from 52 to 54 per cent of the total.

Extraordinary income of SKr 49m, of which SKr 22m derives from the sale of KemaNobel's share in the Supra Fertiliser Company to Norsk Hydro, raises the pre-tax figure to SKr 98m. A net profit of SKr 67m is shown, ahead of SKr 7m. Adjusted earnings come out at around SKr 7.5 a share, compared with SKr 10 in 1980.

The board proposes an unchanged dividend of SKr 5 a share on both the ordinary stock and the preference shares. It expects to improve this year.

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**Japanese sports clothing maker shows advance**

BY YOKO SHIBATA IN TOKYO

DECENTE, Japan's largest manufacturer of sportswear, reported favourable earnings for the first half ended January 31, 1982, reflecting growing participation in sports.

Unconsolidated operating profits rose by 14.4 per cent to Y3.5bn (\$15.9m). Net profits were 16 per cent higher at Y1.92bn, on sales of Y53.96bn, up 19.6 per cent over the previous year. Per share profits for the half year moved up to Y33.92 from Y32.16.

Sales reached Y2bn, more

than the original estimate, thanks to buoyant sales of tennis wear (up 46 per cent), golf wear (up 22 per cent) and ski clothing (up 15 per cent).

The company lifted the half-year dividend to Y9 from the previous Y8.50.

In the current half year ending July 31, 1982, the company expects continuing favourable sales. Full year operating profits are expected to reach Y8.4bn, up 14.7 per cent, and net profits are projected at Y4bn up 11 per cent.

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In accordance with the provisions of the Notes notice is hereby given that the Rate of Interest for the next Interest Period has been fixed at 15½ per annum. The Coupon Amount of U.S.\$78.26 will be payable on 17th September, 1982, against the surrender of Coupon No. 7.

16th March, 1982.  
Manufacturers Hanover Limited  
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**Improvement at Bank of Helsinki**

By Lance Keyworth in Helsinki

BANK OF HELSINKI, one of the five big commercial banks in Finland, reports increased profits and improved liquidity for fiscal 1981. The balance sheet total rose by 11.8 per cent to FM 4,970m (\$1,090m), and net profits were FM 12.8m. The bank is to maintain a dividend of 12 per cent.

Mr Filip Pettersson, chief general manager, described the result as "satisfactory" in spite of the FM 58.5m written off in the sale of the Finnish shipbuilding company, Navire. The loss was taken from the credit loss reserve, which was again increased by the maximum permissible sum, FM 18.1m and stood at FM 57.1m at the end of the year.

Wartsila, the Finnish shipbuilding and engineering company, increased group pre-tax profits to fiscal 1981 to FM 140m (\$30m) from FM 40m in the previous year on sales 17.3 per cent ahead at FM 3.1bn. Parent company net earnings rose to FM 28.6m from FM 18.9m. The company proposes to increase its dividend to 11 per cent from the 9 per cent paid in 1980.

The value of orders booked by the end of 1981 was FM 8bn.

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March 1982

NEW ISSUE

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March 1982

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DUE SEPTEMBER 12 1984

In accordance with the provisions of the Certificates of Deposit notice is hereby given that for the six month Interest Period from 16 March, 1982 to 16 September, 1982 the Certificates will carry an Interest Rate of 15.3125% per annum.

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Certificates of Deposit  
Maturity date 13th September 1982

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Agent Bank  
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London

### Sharp rise in interim earnings at TNT

By Graeme Johnson in Sydney

THOMAS NATIONWIDE Transport (TNT) lifted net profits by 56.7 per cent from A\$25.92m to A\$40.62m (US\$49m) in the half year to December 31 on turnover up by 25.7 per cent from A\$406.53m to A\$512.44m.

Sir Peter Abeles, the managing director, says the group is likely to match the growth in earnings in the third quarter despite generally flat trading conditions and industrial unrest in the Australian and New Zealand operations. Profits for all 1980-81 were a record A\$53.1m.

### Olex boosts Dunlop Olympic

By Our Sydney Correspondent

DUNLOP OLYMPIC, the tyres, cables, and industrial products group, lifted earnings by 75 per cent from A\$20.29m to A\$35.75m (US\$29.5m) for the six months to December 31 on turnover up by 13.2 per cent from A\$578.15m to A\$654.68m.

Earnings were boosted by a contribution of A\$7.4m by the now wholly-owned Olex Cables compared with A\$3.14m last year when it was 50 per cent owned.

The interim dividend has been maintained at 4 cents a share, on capital increased by last year's two-for-nine rights issue. Earnings per share were 11 cents against 10.5 cents.

Sir Brian Massey-Greene, the chairman, said the trading was subdued but a satisfactory increase in full year earnings was anticipated. In the year to 1981, earnings reached A\$39.42m.

## Downturn at Mitsubishi Chemical

BY YOKO SHIBATA IN TOKYO

MITSUBISHI Chemical Industries, Japan's largest chemical company, has suffered a 77 per cent fall in operating profits to Y4.08bn (\$17.4m) in the year ended January 31, mainly because of a decline in petrochemical sales.

The company would have had an operating loss were it not for the inclusion of a Y6.94bn gain on the sale of securities. Net profits fell 64.5 per cent to Y3.01bn, or Y2.84 a share against Y3.35, while sales fell by 4.7 per cent to Y756.1bn (\$3.2bn) at the parent company level.

Sales of petrochemicals fell by 10.2 per cent to take a 43.3

per cent share of total turnover because of weak demand for ethylene and vinyl chloride products and slack international demand for synthetic fibres. The petrochemical division operated at a loss.

Sales of carbon products slipped marginally to Y227.8m, or 30 per cent of total sales. Although the carbon division remained profitable, the agricultural chemicals area reported a decline in profitability.

The full year results show a slightly slower rate of decline than at the half year. For the fiscal year ending January 1983, the company expects some recovery in demand for petro-

chemical product, particularly in the second half when the domestic economy should improve.

Operating profits for the current year could reach Y10bn, more than double last year's, while sales could rise by about 4.3 per cent to Y790bn.

Toyota Motor Company yesterday signed a formal agreement to absorb its sales affiliate, Richard Hanson reports from Tokyo. Mr Shoichiro Toyoda, 57, currently president of Toyota Motor Sales, was named president of the newly formed company. Mr Eiji Toyoda, 66, now president, will be chairman. The merger of the two

companies, which have operated separately for the past three decades, will take place on July 1. The new Toyota Motor Corporation will be the largest manufacturing company in Japan, with annual sales of over Y4,000bn (\$17bn).

The merger was aimed at streamlining operations, particularly international ones, in the Toyota group, the second largest car maker in the world. Recently, Toyota disclosed that it has tentatively entered discussions with General Motors of the U.S., the world's leading car company, on the possibility of jointly producing a small car in the U.S.

### UAE may force local ownership of insurers

By Patrick Cockburn in Abu Dhabi

A NEW INSURANCE law now being drafted in the United Arab Emirates may lead to the takeover of all foreign-owned insurance companies. The key sections of the law, which could still be amended, provide for all insurance companies operating in the UAE to be wholly owned by UAE citizens. Part of the re-insurance would also have to be placed locally.

This would not have a dramatic effect on companies in Abu Dhabi, where three locally-owned companies have a monopoly of all insurance business with the public sector. Since this includes the oil industry and major construction contracts, the other foreign-owned companies compete for less than a quarter of the total business.

But in Dubai, the commercial centre of the UAE, the new law will have a dramatic impact. Out of more than 40 insurance companies in the Emirate, only five are wholly-owned by local citizens.

Companies are also worried by draft provisions in the law, under which they must have Dh5m (\$1.36m) in capital, half to be paid up, and Dh200,000 deposited in a local bank.

The drafting of regulations for insurance companies is part of a trend in the UAE towards greater local control enforced by federal law. Foreign banks, of which there are 28 licensed, must reduce the number of their branches to no more than eight each; the central bank announced last year.

### Sanyo Electric up less at group level

Sanyo Electric, a major Japanese consumer electronics company, has reported a substantially slower growth in consolidated net earnings for the fiscal year ended November 30 than for parent company profits reported earlier, writes our Financial Staff.

Consolidated net rose by 5.1 per cent to Y31.5bn (\$135m) compared with parent company growth of 13.3 per cent to Y23.95bn. Group sales rose by 6.3 per cent to Y975.09bn (\$4.15bn) compared with parent company sales growth of 10.6 per cent to Y732.4bn.

## AMIC up 18% after second-half slowdown

BY THOMAS SPARKS IN JOHANNESBURG

ANGLO AMERICAN Industrial Corporation (AMIC), the industrial arm of the Anglo-American Corporation of South Africa, increased pre-tax profit by 17.8 per cent to R232.8m (\$228m) in 1981 from R187.5m. Turnover rose by 26.1 per cent to R1,224.3m from R971.2m.

At the interim stage Mr Gavin Rely, the chairman, warned that the group was unlikely to match the first half's 21.8 per cent pre-tax profit increase in the second half because the South African economy was showing signs of slower growth. At the end of 1981 capital commitments were

R759.7m against R111.6m at the end of 1980.

The 1981 figures do not take into account the acquisition of the entire share capital of De Beers Industrial Corporation (Dehineor) with effect from January 1, 1982.

As part of the merger arrangements with Dehineor, AMIC has issued 18.7m ordinary shares since the year end increasing the number of ordinaries in issue to 45.7m.

Dividends totalling 165 cents a share have been declared from earnings of 515.1 cents a share. In 1980 earnings were 431.1 cents and the total dividend 140 cents.

## United Overseas Bank lifts profit and dividend

BY GEORGIE LEE IN SINGAPORE

UNITED OVERSEAS BANK, one of the top four Singapore banks, has announced a 44.5 per cent rise in group net profit to S\$133.4m (US\$63m), for the year ended December.

UOB's results are broadly in line with its competitors. The Overseas Union Bank (OUB) earlier reported a 44.8 per cent growth in group net profit to S\$147m while the Development Bank of Singapore (DBS) announced a 62 per cent rise in group net profit to S\$112.7m.

UOB has proposed a final gross dividend of 10 per cent on the enlarged issued capital of S\$894.5m, making a total of 18 per cent for the full year, against 15 per cent.

Two of its major subsidiaries, United Overseas Finance and United Overseas Insurance, also reported a strong upsurge in earnings for the year.

Pre-tax profit at UOF expanded by 88.9 per cent to S\$14.6m while at the net earnings grew 86 per cent to S\$8.3m. UOF has proposed a one-for-two scrip issue and a first and final gross dividend of 10 per cent.

UOI has reported a 71.5 per cent improvement in pre-tax profit to S\$12.9m. Net profit expanded by 74 per cent to S\$7.9m. It proposed a similar one-for-two scrip issue and a first and final gross dividend of 12.5 per cent.

## UOL well ahead despite Mount Echo Park costs

BY OUR SINGAPORE CORRESPONDENT

UNITED OVERSEAS LAND, the major Singapore property developer, has reported a 71 per cent increase in group pre-tax profits for the year ended December to S\$16.5m (US\$7.6m) and a near doubling of net profits to S\$8.46m.

UOL, which is 32 per cent owned by the United Overseas Bank group, disclosed that the profit figures are after the interest cost of its property at Mount Echo Park, Singapore.

The troubled major commercial project also accounted for the higher amount of tax provision of the group, above the standard rate of 40 per cent — because losses on the project

cannot be offset against the profits of other companies in the group.

UOL also reported an extraordinary gain of S\$1.47m against none a year earlier. Parent company operating profit was S\$16.5m against S\$8.9m.

The group has recommended a higher first and final gross dividend of 6 per cent against 5 per cent previously.

The group owns and develops residential and commercial properties. It also owns the 355-room Singapore Merin Hotel. The company did not give any revenue figures or a forecast for 1982.

## United Motor Works rides out recession

BY WONG SULONG IN KUALA LUMPUR

UNITED MOTOR WORKS has reported marginally higher pre-tax profits for the year ended December, reflecting the ability of the fast-growing Malaysian industrial group to ride out the recession.

Pre-tax profits rose 4 per cent to 26.4m ringgit (US\$11.5m) on a 35 per cent increase in sales to 447m ringgit. The heavy erosion of profit margins came from a slump in the logging industry which is a major customer for vehicles.

Net profits rose by 50 per cent to 18.4m ringgit because of a substantially lower tax charge. The company is paying a final 7.5 per cent dividend, including a 2.5 per cent tax exempt por-

tion, making 12.5 per cent for the year, unchanged from last year's which was fully taxed.

Compared with its rival, Tractors Malaysia, a Sime Darby subsidiary, UMW's results could be regarded as satisfactory. Tractors last month disclosed a 50 per cent fall in pre-tax profit to 13.9m ringgit for the six months ended December, with sales falling by 19 per cent to 292m ringgit.

For the current year, earnings from UMW are expected to be boosted substantially by contributions from its acquisitions of the Toyota and Fiat distribution franchise in Malaysia. ● Faber Werlin, a leading Malaysian property and hotel

group, has reported a 25 per cent improvement in pre-tax earnings to 3.6m ringgit for the six months ended December.

In addition, the group made an extraordinary gain of 7.9m ringgit from the sale of a piece of land in Johore state, so net profit was 11.6m ringgit, compared with 2.9m ringgit.

The interim dividend is increased by 1 per cent to 3.5 cents a share. ● Promet, the Malaysian-Singapore oil rig builder and construction group, has bought into two affiliated engineering companies servicing the oil industry. It will pay U.S.\$2.5m for

500,000 shares, representing half the issued capital, of Ipco Marine, a Hong Kong company, from its parent Ipco Holdings.

The two partners will then each subscribe in cash for an additional issue of 14.55m shares of HK\$1 each in Ipco Marine. In Singapore, Promet will pay S\$250,000 (U.S.\$120,000) for an additional 1,000 shares in Ipco Marine Private, giving it a half share. The other half will be held by Maxterra Company.

Both Ipco Marine companies are engaged in construction, engineering, design, procurement, project management and other related activities for the oil industry.



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Companies and Markets

WORLD STOCK MARKETS

Wall St above worst at 1pm

NEW YORK

Table of New York stock market data including various indices like Dow Jones, S&P 500, and individual stock prices.

Table of international stock market data for countries such as Canada, Belgium, Holland, Australia, Japan, France, Germany, and others.

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FRESH CONCERN OVER U.S. INTEREST RATES

Wall Street's early recovery in moderate trading, but the market partially recovered after mid-session.

Canada

Stocks were generally weaker at mid-day as investor concern centered on the rise in the U.S. money supply and the prospects of higher interest rates.

Tokyo

After showing some recovery in Saturday's half-day session and also initially yesterday, the market resumed its slide on light selling.

Closing Prices for North America

Table listing closing prices for various North American stocks.

CANADA

Table listing Canadian stock market data.

BELGIUM (continued)

Table listing Belgian stock market data.

HOLLAND

Table listing Dutch stock market data.

AUSTRALIA

Table listing Australian stock market data.

JAPAN (continued)

Table listing Japanese stock market data.

However, Public Works issues gained strength from reports that the Government is planning to bolster various public projects as part of its attempt to spur the economy, which fell a sharp 3.5 per cent on an annual basis in the October-December quarter.

Germany

Leading shares were narrowly mixed after a dull session which saw the Commerzbank index slip 1.2 to 207.

Australia

Bearish factors overseas and the big swing against the Government in the by-election for the Sydney seat of Lowe put an end to the recent technical rally on Australian markets.

Hong Kong

Interest rate worries caused

BRUSSELS

Stocks generally retreated in profit-taking as operations continued to labour unfavourably a wave of labour unrest and strikes against Government austerity policies.

SINGAPORE

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Table listing Swedish stock market data.

GERMANY

Table listing German stock market data.

AUSTRIA

Table listing Austrian stock market data.

Construction, Road Builders and Civil Engineering issues all benefited from the reports. A trader said, "buying appears to be spreading from Construction to Cement Makers and others in related fields." Maeda Construction climbed Y16 to Y62.

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Indices

Table of New York indices including Dow Jones, S&P 500, and other market indicators.

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NEW YORK ACTIVE STOCKS

Table listing active stocks in the New York market.

STOCKS

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# FINANCIAL TIMES SURVEY

Tuesday, March 16 1982

# Pulp, paper and board

WORLD PULP and paper producers, now treading carefully through a recession in their major markets, are mostly looking beyond the early 1980s for hope of a sustained upturn in demand. Last year was flat for many companies and 1982 looks unlikely to bring much cheer. For some countries, like the UK, there have been traumatic changes in the paper sector. Elsewhere, adjustments have perhaps been less painful but just as necessary.

About 170m tonnes of paper are used throughout the world each year, with North America and Western Europe accounting for well over half of this. Up until the late 1970s, demand for paper products was moving ahead at a steady if unexciting 4 per cent a year.

Since then, however, things have slowed down. World economies have run out of steam, other competing materials have become more common, new electronic means of communication have been developed, and some sectors of the market are simply too well supplied already.

Against this sober background, what sort of a future does the rest of the century hold out for the industry? Certainly, patterns of demand are changing, both geographically and by product. New office methods may mean less paper is used, but the emphasis will be on higher grades. Increasing use of computers and visual display screens at work and at home has not so far eroded the paper markets. Even so, companies will have to be faster on their feet.

Squeezed by recession and hesitant about prospects in the immediate future, many of the world's leading producers are acting cautiously and curbing their ambitious investment projects. But over the longer term they hope for a steady upturn in demand which will justify spending on new capacity.

## Patterns of demand changing

BY ANDREW FISHER

growth will be more than 6 per cent annually, while the industrialised world will lumber along at a more leisurely 2.4 per cent. In North America, said the consultants, the rate will be even slower.

The U.S. is one of the most intensive users of paper in the world. Demand per head is around 280 kg a year, far in excess of average European levels. Jaakko Pöyry expects this growth to continue for the rest of this decade but finally come to a halt in the late 1990s at about 340 kg. No other part of the world is expected to attain this level.

Up to 1995, the consultants expect printing and writing papers to expand at nearly 4 per cent a year, industrial grades (including household and sanitary papers) at just over 3 per cent, and newsprint at little more than 2 per cent. Overall, paper demand will have slowed from growth of over 5 per cent a year in the late 1960s and early 1970s to just over 3 per

cent in the period from now until 1995. A good deal of the emphasis in Western Europe at least, over the past couple of years has been on plant closures, redundancies and retrenchments. The North Americans have been investing in new capacity, but their eyes will be on major export markets such as the EEC, where the deficit on trade in wood products is second only to oil.

Jaakko Pöyry estimates that world paper capacity will have to go up to at least 260m tonnes by 1990 to meet rising demand. Expansions now in the pipeline total around 25m tonnes. During the 1970s, capacity showed an overall increase of over 60m tonnes.

At the same time, there was a good deal of restructuring, with over 2,200 machines, having a total capacity of nearly 20m tonnes, shut down. Among the countries of the OECD (Organisation for Economic Co-operation and Development), a total of 83 new paper or board

machines and 22 new pulp mills is planned for the 1981-84 period. The total, based on figures from Pulp and Paper International and amended by OECD delegations, show that 48 of the paper and board machines will be sited in North America—two-thirds of them in the U.S.—and 14 in Scandinavia.

By far the major part of this expansion is being carried out by large companies with sales of over \$250m. On the pulp side, North American companies are again dominant, with the U.S. planning 13 new mills in the period and Canada, three. As well as having the available wood, corporations in Canada and the U.S. also have the financial strength for major projects.

In Western Europe, apart from Scandinavia, final capacity increases will be small because of the large number of mills shut down. Around 1,500 paper machines were closed in the 1970s and 470 mills, with a combined capacity of 4.2m tons a year, including shut-down machines in mills still operating, the figure rose to 8.5m. There are now more than 2,700 paper machines in Western Europe.

Jaakko Pöyry expects North America to keep up and even boost its role as the world's main supplier of newsprint and industrial paper and paperboard. Now that the U.S. market has begun to slow down and capacity there is expanding, companies are keen to sell more in Europe and Asia. About 20

years ago, North America exported only 7.5 per cent of its pulp and paper output, a percentage which has since more than doubled.

Over the past two years, U.S. newsprint capacity has soared by 26 per cent to 5.3m tons, more than the total gain in capacity over the previous ten, according to the American Paper Institute. Thus the domestic market is coming to rely less on imports and producers are seeking new export opportunities.

This will also increase the pressure on Canadian companies to sell more outside their own continent. Canada's newsprint sales are expected to show a 7 per cent volume drop this year to 3.2m tonnes, mainly because of lower demand from the U.S. which takes about 70 per cent of its output. Total Canadian pulp and paper sales are forecast to ease a percentage point to 20m tonnes, including a 2 per cent export fall to 15.4m.

In the U.S. the API does a survey each year of the size of the country's capacity. The latest one shows that U.S. companies will add over 5m short tons of paper and paperboard capacity and 3.5m tons of wood pulp capacity in the period from 1982 to 1984. This will bring total capacity up to more than 77m tons for paper and paperboard and over 60m for wood pulp.

Towards the end of last year U.S. companies in the forest products sector began to suffer from the fall-off in building

activity, cutting their cash flow for new investment. Housing starts in October fell below 900,000 to the lowest level in 15 years. Companies such as Georgia-Pacific and Weyerhaeuser were affected by falling demand for construction timber, with no real housing upturn expected until interest rates tumble.

As a result, some companies have scaled down their spending programmes and postponed projects beyond 1984, the cut-off period for the API survey. Last year, according to the Commerce Department, U.S. paper groups spent \$8.7bn on new plant and equipment, a little less than the previous year but a fifth up on 1979. Paper and paperboard output in 1981 showed little increase at nearly 65m tons and the outlook for 1982 is one of modest improvement.

The hope is that the U.S. economy will show some gain during the year as recovery sets in during the second half. Canada is also hoping for renewed economic growth in the U.S., possibly to a rate of over 4 per cent annually by the end of the year. Although its newsprint sales to its southern neighbour will drop, it expects to boost shipments of other grades.

Once the market does start to pick up, producers will have a better chance of pushing through price increases. For some time, Scandinavian producers have been frustrated in their attempts to raise pulp prices.

The problem is that North American producers with lower costs and a flagging market have been turning their attention more to Europe.

It is anybody's guess as to how prices will move for the rest of the year. Until the North American market becomes sufficiently buoyant, pressure in Europe will remain. So while this year certainly will not prove the liveliest for the world paper and pulp industry, it could mark the turning point between slackness and renewed growth.



Mechanised tree felling in Sweden. World producers are waiting for a revival of growth in demand but believe that in the longer term capacity will need to rise considerably. Meanwhile, many EEC paper-makers are worried about the Nordic companies' thrust towards greater integration of their pulp and paper manufacturing.

### MAJOR PULP EXPORTERS AND IMPORTERS

Exporters:	% of total	Importers:	% of total
Sweden	21	Japan	14
Canada	41	U.S.	28
Finland	12	UK	15
U.S.	16	Italy	12
USSR	4	W. Germany	15
Norway	4	France	16
Brazil	2		
	100		100

Source: Paper.

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Forests are Finland's prime asset.

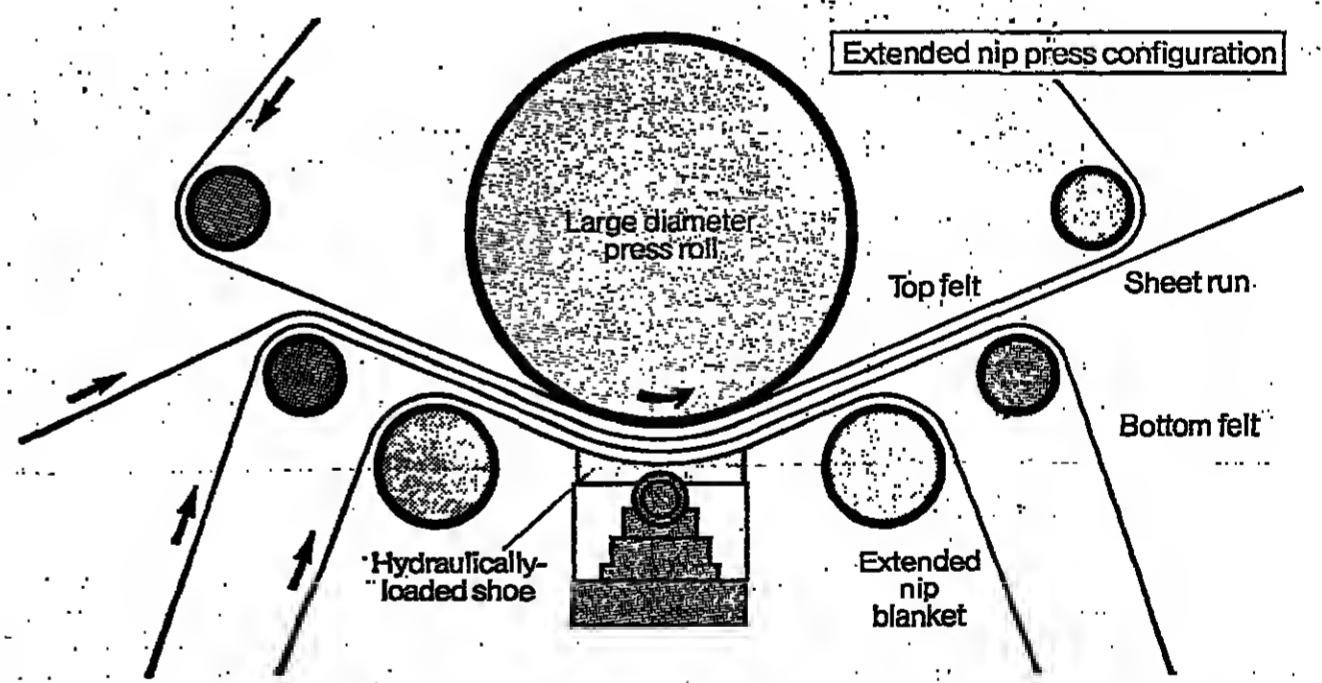
Its paper and board industry, using modern technology, continuing research and rigorous reforestation programmes, treats them with respect. The industry works hand-in-hand with its British sales offices—Lamco and Finnboard (U.K.). Lamco represents 26 mills, supplying over one-third of Britain's paper imports of newsprint, magazine and fine papers, wrappings and specialties. Finnboard (U.K.) represents 12 mills, where over one-fifth of Britain's packaging board imports are produced, including cartonboards, corrugating materials and specialty boards.

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Beloit Walmsley Ltd., Bury, England.

# BELOIT

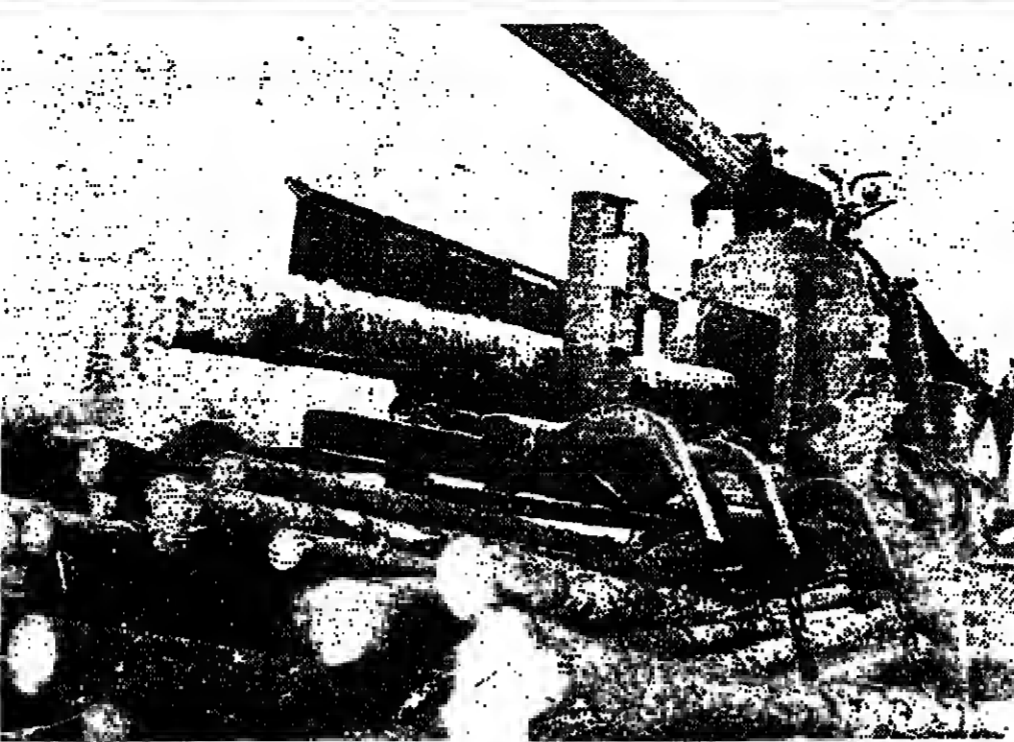
World leaders in papermaking technology



PULP AND PAPER III

Nordic groups waiting for stronger market

MOST NORDIC pulp and paper companies have been reporting lower earnings in 1981 and anticipate a tough ride in 1982. In many grades demand is so far weak enough to prevent them raising prices in order to cover cost increases. The catch question is whether the West European pulp and paper market will recover fast enough in the second half for the Nordic mills to be able to raise deliveries and firm up prices. The pessimists, looking at the continued high interest rates in the U.S., argue that recovery will be delayed. The optimists find grounds for hope in the latest cuts in oil prices which, they argue, will stimulate the European economies. However, both agree that 1982 will be a better year. Thus, after two years—1979 and 1980—of reasonable profit growth the Nordic manufacturers should get away with a fairly moderate, two-year recession before returning to the path of satisfactory price and profit development. This picture, of course, is too simplified. The outlook for individual companies and products is strongly differentiated and shaded by exchange rate fluctuations. In Sweden last year Munksjö and the Vänersborg forest owners company were put into the hands of the receivers. In Finland, where several companies were inspired by the boom of 1980 to invest in new machines, the heavy indebtedness of the companies is again a talking point. Mr Bo Rydin, managing director of Svenska Cellulosa (SCA), the biggest and among the financially most successful of the Nordic companies, has reiterated on several occasions the industry's problem of raising finance for the investments in modernising which they will have to make to remain efficient in the longer run. These remarks are made with one eye on the stronger profitability of many of the North American mills and with the other on what seem to be the depressed prices on the West European market. The prices of pulp, newsprint and kraft liner board, three of



Timber cutting in Scandinavia, where mills are keen to convert as much of their pulp as possible into higher value products instead of selling it to other markets.

the major Nordic exports to Europe, are largely determined by the North Americans. In matching this competition the Nordic mills have to operate with higher raw material and labour costs, a disadvantage which may not always be offset by higher transatlantic freight costs and by the current strength of the dollar. The Finnish, Norwegian and Swedish members of the European Free Trade Association, can reap an important, possibly decisive, advantage if they are regarded as an integral part of the West European market and trade barriers between them and their Common Market customers are dismantled. This is a situation towards which they are moving under the terms of their trade agreements with Brussels and which they should reach in 1984. Here we arrive at the other end of the equation: a weak European paper industry which fears the competitive strength of the Finns and the Swedes. Many EEC papermakers are anxious about the Nordic companies' thrust towards greater integration of their pulp and paper manufacturing, a development which they regard as reducing the sources of pulp available to them at the same time as the more effective Nordic mills make inroads on their paper markets. French papermakers in particular are pressing for action by the EEC Commission to maintain some control over imports which could threaten key areas of their own industry. They are not alone in their fears. Italian and other Common Market papermakers are upset by Nordic investments, largely by the Finns, in greater capacity for printing and writing papers. Another irritant in the mutually-dependent relationship in pulp and paper between the Nordic and Common Market countries is the charge filed last year by the EEC Commission that Nordic producers were colluding with North American manufacturers to fix the prices of bleached sulphate pulp within the Community. The EEC asked for replies from 57 companies and organisations to a lengthy document detailing alleged evidence of a "concerted price-fixing practice." The answers were filed by the end of January and the

Lower energy costs the main target in UK

AMONG THE various sectors of British industry which have been exerting pressure on the Government to bring energy prices into line with the rest of Europe, paper and board manufacturers have been the most vociferous. The industry's main objective is to achieve equal opportunity—in terms of operating costs—with European competitors who have been able to undercut British mills over the past 18 months. European competition has contributed to the British mills' loss of market share, both at home and abroad, and reductions in capacity. According to the British Paper and Board Industry Federation, mills on the Continent enjoy a wide range of energy price advantages. UK oil prices are judged to be 20 per cent higher, due mainly to UK excise duty, and recent falls in crude prices are being reflected more significantly in Continental fuel costs than in Britain. British electricity prices are said to be up to 20 per cent higher, mainly because the electricity supply industry "does not give full benefit to energy-intensive continuous process consumers," according to the federation. "While the freeze on gas renewal prices has helped to bring UK prices into line with those on the Continent, new increases applied later were of major concern to gas consumers," it added. However, Budget measures to freeze gas prices for large users during 1982 were welcomed by the federation. On coal, the industry believes that the Government's £50m grant scheme to assist in the conversion of oil and now gas boilers to coal, has been ineffective because mills must pay 75 per cent of the cost, too high a proportion at a time of liquidity problems for many companies. Broadly, the Government's response to these complaints has been that Continental energy supplies are widely subsidised by governments and that the UK is seeking through the EEC to have these reduced, and the Government will not therefore agree to subsidies in Britain. While the federation accepts the Government's policy of seeking to stop subsidies within EEC countries on energy, it is

HOW ENERGY COSTS COMPARE (April 1980-April 1981)

Country	Index	% Change
Canada	100	8.5%
South Africa	123	13.3%
Australia	129	16.8%
Sweden	143	4.4%
France	161	6.8%
Holland	169	18.8%
U.S.	181	22.1%
Italy	207	26.0%
West Germany	210	15.8%
UK	242	16.7%

Index calculated on basis of electricity costs by Grievson Grant, UK stockbrokers. Source: British National Utility Science/Paper.

requesting equal opportunity on the basis of aid until the Government's objectives on ending subsidies are achieved. Mr John Adams, director general of the BPBIF, said the paper industry was not seeking subsidies on energy prices, but wanted the UK to adopt an energy policy which ensured an opportunity to compete on equal terms with competitors. The federation has therefore asked for an £8 a tonne reduction in excise duty on heavy fuel oil, firmer instructions to the electricity supply industry that prices to continuous process consumers must be at the lowest economic level. The federation points out that a reduction in heavy fuel oil excise tax would be fairly inexpensive to the government in revenue terms, and that it is now important to restore the competitiveness of the UK paper industry, which has suffered foreign exchange risk cover for consequent increases in imports. The industry also wants a more open tariff structure for gas, so that fairness of pricing can be seen over the country with significant discounts for volume and interruptible supplies, especially for bulk users of more than 100 tonnes a year. The arbitrary nature of recent gas pricing policy has been spotlighted by comparing two very similar mills which renewed contracts before and after the December 1 cut-off point for new gas prices. "One would pay the old price for three months, followed by nine months at a penny a therm more, while the company renewing its contract after the cut-off would have had three price rises over the next year, taking its price to 3p a therm more than the first mill. However, Budget measures affecting this, have yet to be clarified. The industry's other main cause for concern has been what it sees as the Government's ambivalent attitude to investment in energy-saving. At present energy costs on average represent 17 per cent of a paper mill's total production cost compared to 13.6 per cent in 1979, although this varies considerably from grade to grade. The most energy intensive grade is newsprint, although only 8 per cent of UK consumption is now produced in Britain, while wrappings and packaging and packaging boards are also expensive in energy terms. It is therefore very much in the interests of paper and board companies to go ahead with conversions to coal or other energy saving projects, but a succession of these have been postponed or cancelled due to the inability of companies to find the necessary capital to do ahead. This is particularly annoying for management, since the pay-back period of conversions is often as short as 2 1/2 years, but an increase of the Government grant scheme's contribution to perhaps 50 per cent of total cost would certainly encourage more conversions. The UK paper industry, understandably, has been annoyed by the Government's apparent refusal, advocated by the Treasury, to accept millions of pounds of low-interest EEC funds which are available to assist in the conversion of boilers to coal. About £400m was allocated to Britain for this purpose at the end of last year. This refusal is said to have perplexed EEC officials who have said that the funds eventually will be used by other Community countries for reducing their dependence upon oil if not done so by Britain. Viscount Etienne Davignon has accused the British Government of operating a "silly device" to restrict to £15m the amount British companies can borrow in Brussels for this purpose. He was referring to the Treasury's approval for foreign exchange risk cover for interest repayments for only £15m for boiler conversions. There are also fears that despite falling oil prices, the UK's energy prices will move even further out of line with the rest of Europe. West Germany is said to have set aside DM 8,000m for energy efficiency assistance for industry in the next four years, a sum which overshadows even France's considerable spending in this area. Holland has recently completed a study on energy efficiency in the paper and board industry, and is likely to instal 18 new combined heat and power plants using gas turbines. According to federation figures, the increase in energy costs to the UK paper industry between the third quarter of 1980 and the third quarter of last year, averaged 17.3 per cent for all fuels combined. During the period heavy fuel oil rose in price by 22.7 per cent, natural gas by 20 per cent, purchased electricity by 11.6 per cent and coal by 9.1 per cent. It is pointed out that during the same period the general index of retail prices rose by 11.3 per cent and the selling price of a broad range of paper and board by 6.4 per cent. Lorne Baring

Packaging materials gain ground after setbacks

PACKAGING, AS the biggest user of paper and pulp products, is the battleground on which they contend with rival materials and where signs of success or failure often first appear. In recent years, the biggest challenge has come from plastics, which have swallowed up whole sectors once dominated by wooden boxes, corrugated and carton board, paper bags and wrappers. Plastics emerged as a spin-off of the petrochemicals industry in the years of cheap oil. The troubles of paper packaging were then compounded by the two oil crises of 1974 and 1979. The only compensation for paper packaging makers was that the high energy prices also fed directly into plastic film prices and the fact that paper is easier to recycle. Nevertheless, although the battle still splutters, paper appears to have absorbed the worst of the competition. From plastics and, while losing ground in some areas, it has gained ground at the expense of other forms of packaging, including glass. In her report Cost and Availability of Packaging in the UK to 1985, Rowena Mills, the industry's senior economist, predicts that over the next three years the world pulp and paper industry will increase its capacity of pulp by 13m tonnes a year and of paper and board by 20m tonnes a year. Capacity for packaging paper and board is planned to rise by 2.5m tonnes in North America by 1983, with a trend towards greater use of virgin pulp for corrugated and carton board. The major growth in use of corrugated is likely to come from developing countries, and U.S. producers might be hard pressed to keep up with demand. More detailed forecasts published by the U.S. Department of Commerce say that by the end of 1985 paper and

finished cartons from Western Europe. The latest assessment of the UK paper packaging industry is that published in the January and February issues of Packaging Review. Its theme was that although in some areas 1981 was the worst year on record, it could prove to have been the bottom of the recession. The magazine expected sales of paper sacks to be more than 10 per cent below the previous year; fibreboard had the worst year on record and faced an increasingly critical situation; carton board showed remarkable resilience with folding cartons down 4.5 per cent, and with over-capacity at 25-30 per cent. Cellulose was the one British sector which had held imports at bay, to about 5-6 per cent of UK consumption. Even the UK plastics film industry—the chief competitor to wood-based cellulose-faced imports of 14 per cent. Moreover, UK cellulose makers exported 58 per cent of their output, compared with 10-11 per cent for plastics film. At the specialised converting end of the industry one of the main successes of paper-based packaging has been in the soft drinks and milk market. Sales of milk in cartons in Britain now account for 14 per cent of all milk sales.

U.S. MARKET SHARES OF CONVERTING INDUSTRIES

Product	%
Corrugated and solid fibreboard cases	45.7
Bags	18.9
Folding cartonboard boxes	13.5
Sanitary food containers	12.5
Fibre cans, tubes and drums	6.1
Erected or rigid cartonboard boxes	2.2

Source: U.S. Department of Commerce. Over the past five years, sales of milk in cartons rose by nearly 1m litres, while the amount sold in other containers fell by more than 1m litres. Although paper cartons are not a major threat to doorstep delivery of glass milk bottles in Britain, they are a force to be reckoned with. Three companies, all of them foreign-owned, dominate the market: Liquid Packaging, Tetrapak and Bowater Consumer Packaging. Liquid Packaging, which claims 45 per cent of the UK market, was formerly Canadian owned but recently became a subsidiary of a Norwegian company. Tetrapak, which claims 40 per cent of the UK cartoned milk trade, is Swedish-owned. Maurice Samuelson

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Leeds Office Cross Green Way Park Lane LEEDS 9 Tel. 0532-49 5699

Limousin/Holmen Chemicals Holmen Chemicals Ltd. P.O. Box 2 Basing View Basingstoke HANTS RG23 2EB Tel. 0256-29292

Packaging materials Holmen Pac Ltd. 21, Lake Road Tunbridge Wells Kent TN11 2RT Tel. 0892-32749

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GROWTH IN PAPER AND PAPERBOARD DEMAND 1965-95 (in tonnes)

Region	1965	1978	1985	1978-85† (per cent)
North America	45.3	64.0	86.5	1.8
Western Europe	24.6	38.7	60.2	2.6
Japan	7.4	16.4	31.5	3.9
USSR/Eastern Europe	8.3	15.6	26.3	3.1
Rest of world	11.5	26.4	72.8	6.2
Total	97.4	161.1	277.3	3.2

† Annual growth. Source: Jaako Pöyry/Paper.





COMMODITIES AND AGRICULTURE

Russia favours cod fishing ban

By Fay Gjester in Oslo
RUSSIA favours strong action to protect threatened stocks of Arctic cod...

Gloomy start to farm talks

BY LARRY KLINGER IN BRUSSELS

THE ANNUAL talks to fix guaranteed prices for the European Community's 8.7m farmers began in Brussels yesterday...

Britain seeking a lower price rise with no extra help for the "inefficient" producer...

New row over Soviet grain credit

By Our Washington Staff

THE DISPUTE between Reagan Administration officials about the extension of U.S. and West European credit to the Soviet Union...

ZIMBABWE TOBACCO

Growers confident of buoyant prices

BY TONY HAWKINS IN SALISBURY

ZIMBABWE'S FLUE-CURED tobacco auction sales open today in Salisbury with hopes that grower incomes will rise...

and lower quality leaf, growers are hoping that prices will at least be maintained close to last year's levels...

Walker to open soy oil market

By Our Commodities Editor

MR PETER WALKER, UK Minister of Agriculture, is to open the new soybean oil futures market in London on April 19...

Consumer group attacks EEC food costs claim

THE EUROPEAN Commission's "bland" statement that shop prices for food would only rise...

try to force the Commission to detail the effects of the Common Agricultural Policy on consumers...

Weak demand depresses sugar

By Our Commodities Staff

WORLD SUGAR values declined again yesterday as the heavy supply surplus and slack consumer demand continued to depress the market...

Low quality

The industry's fortunes have fluctuated from the depth of a large low quality crop...

Control board

Last week the Zimbabwe Tobacco Association which represents the growers...

London tin values rise again

By JOHN EDWARDS, COMMODITIES EDITOR

TIN VALUES moved higher again on the London Metal Exchange yesterday. Cash tin closed £185 up at £7,265 a tonne...

Consumer group attacks EEC food costs claim

try to force the Commission to detail the effects of the Common Agricultural Policy on consumers...

London tin values rise again

By JOHN EDWARDS, COMMODITIES EDITOR

warehouses jumped again last week rising by 3,305 tonnes bringing total holdings to 40,480 tonnes...

Weak demand depresses sugar

By Our Commodities Staff

WORLD SUGAR values declined again yesterday as the heavy supply surplus and slack consumer demand continued to depress the market...

Low quality

The industry's fortunes have fluctuated from the depth of a large low quality crop...

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BRITISH COMMODITY MARKETS

BASE-METALS

Table with columns for metal types (Copper, Tin, Lead, Zinc, Nickel) and price changes. Includes sub-sections for Tin, Copper, Lead, Zinc, and Nickel.

GRAINS

WHEAT

Table showing wheat prices for various grades and origins, including UK and foreign sources.

PRICE CHANGES

Table listing price changes for various commodities such as soybeans, oil, and other agricultural products.

AMERICAN MARKETS

NEW YORK, March 15

Table showing market data for New York, including prices for metals, grains, and other commodities.

CLUBS

THE CASINO OF ST. JAMES'S, London's most exclusive club, is to be sold...

COCOA

Table showing cocoa prices for various grades and origins, including UK and foreign sources.

SUGAR

Table showing sugar prices for various grades and origins, including UK and foreign sources.

EUROPEAN MARKETS

ROTTERDAM, March 15

Table showing market data for Rotterdam, including prices for metals, grains, and other commodities.

KRUGERRANDS SOVEREIGNS Other Gold Coins Bought & Sold Venus Coins Limited

Promotional Gifts Key Rings Paperweights Cuff Links Badges etc.

RUBBER

Table showing rubber prices for various grades and origins, including UK and foreign sources.

COFFEE

Table showing coffee prices for various grades and origins, including UK and foreign sources.

INDICES

Table showing various financial indices including Dow Jones, Financial Times, and Moody's.

EXHIBITIONS

THE BULLINGTON HOME FAIR, Royal Albert Hall, Piccadilly, London W1, until 21.5.82...

Wool Futures

Table showing wool futures prices for various grades and origins, including UK and foreign sources.

TEA AUCTION

Table showing tea auction prices for various grades and origins, including UK and foreign sources.

MEAT/VEGETABLES

Table showing meat and vegetable prices for various grades and origins, including UK and foreign sources.

GAS OIL FUTURES

Table showing gas oil futures prices for various grades and origins, including UK and foreign sources.

MEAT COMMISSION

MEAT COMMISSION - Average Fatness of carcasses at representative markets...

REUTERS

Table showing Reuters market data for various commodities and indices.

RECENT ISSUES

Table of recent issues with columns for issue price, amount, and stock details.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns for issue price, amount, and stock details.

"RIGHTS" OFFERS

Table of rights offers with columns for issue price, amount, and stock details.

Announcement date usually last day for dealing free of stamp duty. Figures based on prospectus estimates. Dividend rate paid or payable on part of capital; cover based on dividend on full capital.

Table of active stocks with columns for stock name, closing price, and day's change.

Table of Friday's active stocks with columns for stock name, closing price, and day's change.

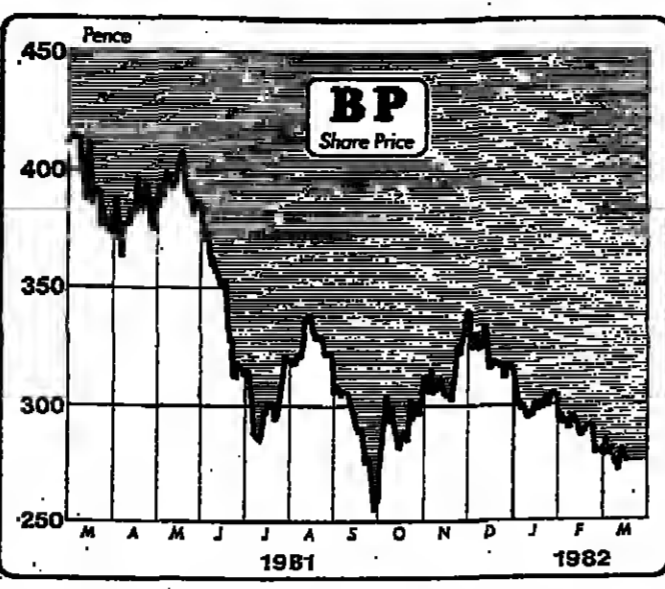
Table of options with columns for stock name, last price, and settlement date.

LONDON STOCK EXCHANGE

Gilt-edged good with emphasis on conventional stocks Equities uninspiring but undertone remains steady

Account Dealing Dates: First Declared Last Account Dealings... Mar 11 Mar 11 Mar 22 Mar 22 Mar 22 Mar 22 Mar 22 Mar 22 Mar 22 Mar 22

slightly lower in the first hour of trading. A subsequent attempt to rally petered out and quotations finished slightly lower on balance.



Unilever came on offer among the miscellaneous industrial leaders, closing 14 down at 628p. Elsewhere, Granada "A" fell 12 to 234p following the chairman's profits warning and reference to the AGM to increased television rental competition.

and the new nil-paid shares 5 to 15p premium following Press comment. Movements of note among Textiles were usually attributable to weekend Press comment.

The index-linked stocks were not completely left out of the picture. However, after an initial upward flurry, quotations turned reactionary as investors turned their attention to the rest of the sector.

Guinness Peat down: Adverse weekend Press comment ahead of today's interim figures unsealed Guinness Peat, which fell 5 to 58p. Elsewhere in the Banking sector, the major clearers continued to retreat on fears of increased taxation following the Chancellor's Budget.

Arthur Guinness held at 82p following the expected announcement of the 4th sale of Callard Bowser Nuttall to Beatrice Foods of Chicago. Greentall Whitley provided an exception to the general trend with a Press-inspired gain of 3 to 115p.

Motor Components closed with mixed gains. Continued recovery hopes helped Dunlop, 2 up at 72p, and Kwik-Fix, 4 dearer at 57p. Dowy added 3 to 125p, while Supra, preliminary results due on Thursday, gained a couple of pence to 52p.

Gold down again: Another bout of weakness in the bullion price - this time prompted by heavy selling on transatlantic and Far Eastern markets over the weekend - led to further losses in mining markets.

FINANCIAL TIMES STOCK INDICES: Table with columns for date and values for various indices like Government Secs, Fixed Int., Industrial, etc.

Unilever fall: Sporadic nervous offerings ahead of Thursday's annual results left GKN 5 down at 165p, while Hawker lost 6 to 316p among the other quietly drilled heavyweights.

BP satisfy: The continuing downward pressure on crude prices induced a further downward drift in Oil, but quotations steadied after British Petroleum's preliminary results unchanged on balance.

South African Financials mirrored the gold sharemarket. Bees dropped 1 1/2 to a 1981-82 low of 226p, still reflecting the dismal results announced last week.

HIGHS AND LOWS S.E. ACTIVITY: Table with columns for date, high, low, and activity.

A. Henriques good: The major Stores started the new Account on a subdued note, the provisional estimate of retail sales in February having no apparent effect on sentiment.

BP satisfy: The continuing downward pressure on crude prices induced a further downward drift in Oil, but quotations steadied after British Petroleum's preliminary results unchanged on balance.

Woodside were active and edged up to 50p before reacting to close unchanged on balance at 47p following Press reports suggesting that Japan's Nippon Oil may acquire for 65p a share, the 34 per cent stake in Woodside currently owned by BHP/Shell.

WORLD VALUE OF THE POUND FT-ACTUARIES SHARE INDICES

The table below gives the latest available rate of exchange for the pound against various currencies on March 15 1982. Some cases rates are nominal. Market rates are the average of buying and selling rates.

Table of world value of the pound with columns for place and local unit, and value of sterling.

no direct quotation available; (P) free rate; (C) based on U.S. dollar parities and going sterling/dollar rates; (S) bank rates; (M) market rates; (N) non-commercial rate; (E) official rate; (G) selling rate.

Table of FT-Actuaries Share Indices with columns for equity groups and sub-sections, and values for Mon March 15 1982.

NEW HIGHS AND LOWS FOR 1981/2: The following quotations in the Share Index Service are obtained from Highs and Lows for 1981/2.

Table of new highs and lows for 1981/2 with columns for stock name, high, and low.

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries.

Table of average gross redemption yields with columns for price indices, date, and yield.

RISES AND FALLS YESTERDAY

British Funds: 67 3 22; Foreign Bonds: 4 6 65; Industrial: 247 222 889; etc.

Table of rises and falls yesterday with columns for category, value, and change.

\*Part of the French community in Africa formerly French West Africa or French Equatorial Africa. †Rupiah per pound. ‡General rates of oil and iron exports 76.50. ††Based on the transfer market (controlled). †††Now one official rate. (U) Unlisted rate. Applicable on all transactions except currencies having a bilateral agreement with Egypt and who are not members of IMF. (H) Based on gross rates against Russian rubles. (P) Parallel exchange rate for essential imports. (E) Exports, non-essential imports and transfer. (S) Now one rate. (A) Essential goods.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Allied Hambro Ltd., and others, including their names, managers, and contact information.

FT UNIT TRUST INFORMATION SERVICE

Main table containing detailed information for numerous unit trusts, including names like Barclays Life Assn., British Life Assn., and others, with columns for names, managers, and other details.

NOTES: Prices are in pence unless otherwise indicated. Units are shown in full columns below for all trusts...

Vertical text on the right edge of the page, possibly containing additional information or a continuation of the table content.

FT SHARE INFORMATION SERVICE



LOANS—Continued

Table with columns: Stock, Price, Yield, etc. Includes entries like FFI 14.07, FFI 14.29, etc.

BRITISH FUNDS

Table with columns: Stock, Price, Yield, etc. Includes entries like Treasury 12.50, Treasury 12.50, etc.

FOREIGN BONDS & RAIS

Table with columns: Stock, Price, Yield, etc. Includes entries like Amalgamated, Amalgamated, etc.

AMERICANS

Table with columns: Stock, Price, Yield, etc. Includes entries like Alcoa, Alcoa, etc.

Over Fifteen Years

Table with columns: Stock, Price, Yield, etc. Includes entries like Treasury 12.50, Treasury 12.50, etc.

Undated

Table with columns: Stock, Price, Yield, etc. Includes entries like Treasury 12.50, Treasury 12.50, etc.

Index-Linked & Variable Rate

Table with columns: Stock, Price, Yield, etc. Includes entries like Treasury 12.50, Treasury 12.50, etc.

INT. BANK AND O'ESAS GOVT. STERLING ISSUES

Table with columns: Stock, Price, Yield, etc. Includes entries like Treasury 12.50, Treasury 12.50, etc.

CORPORATION LOANS

Table with columns: Stock, Price, Yield, etc. Includes entries like Treasury 12.50, Treasury 12.50, etc.

COMMONWEALTH AND AFRICAN LOANS

Table with columns: Stock, Price, Yield, etc. Includes entries like Treasury 12.50, Treasury 12.50, etc.

LOANS Public Bank and Ind.

Table with columns: Stock, Price, Yield, etc. Includes entries like Treasury 12.50, Treasury 12.50, etc.

BANKS & H.P.—Cont.

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

BEERS, WINES AND SPIRITS

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

BUILDING INDUSTRY, TIMBER AND ROADS

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

BANKS AND HIRE PURCHASE

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

CANADIANS

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

CHEMICALS, PLASTICS—Cont.

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

DRAPERY AND STORES

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

ELECTRICALS

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

FOOD, GROCERIES—Cont.

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

ENGINEERING—Continued

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

FOOD, GROCERIES, ETC.

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

ENGINEERING MACHINE TOOLS

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

ENGINEERING—Continued

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

HOTELS AND CATERERS

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

INDUSTRIALS (Miscel.)

Table with columns: Stock, Price, Yield, etc. Includes entries like Bank of England, Bank of England, etc.

FOOD, GROCERIES, ETC.

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INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and change.

LEISURE—Continued

Table of leisure-related stocks such as British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and change.

PROPERTY—Continued

Table of property-related stocks including various real estate and construction companies. Columns include stock name, price, and change.

INVESTMENT TRUSTS—Cont.

Table of investment trusts such as British Airways, British Petroleum, and various manufacturing firms. Columns include stock name, price, and change.

OIL AND GAS—Continued

Table of oil and gas related stocks including various energy companies. Columns include stock name, price, and change.

NOMURA The Nomura Securities Co., Ltd. Nomura International Limited. 3 Gracechurch Street, London EC3R 6AD. Tel 01 293-8811.

MINES—Continued

Table of mining stocks including various metal and coal companies. Columns include stock name, price, and change.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including various automotive and aerospace companies.

SHIPPING

Table of shipping stocks including various maritime companies.

SHOES AND LEATHER

Table of shoes and leather stocks including various footwear companies.

SOUTH AFRICANS

Table of South African stocks including various companies from that region.

TEXTILES

Table of textile stocks including various clothing and fabric companies.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publishing stocks including various media companies.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks including various media and service companies.

PROPERTY

Table of property-related stocks including various real estate and construction companies.

TOBACCO

Table of tobacco stocks including various tobacco companies.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land-related stocks including various financial and real estate companies.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks including various financial and service companies.

OIL AND GAS

Table of oil and gas related stocks including various energy companies.

INSURANCE

Table of insurance stocks including various insurance companies.

LEISURE

Table of leisure-related stocks including various entertainment and service companies.

O.F.S.

Table of Overseas Financial Stocks (O.F.S.) including various international companies.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

REGIONAL MARKETS

Regional Markets section providing information on stock exchanges and market activity in different regions.

OPTIONS

Options section containing a table of 3-month call rates and other derivative market data.

